Written submission by members and endorsers of the Coalition to End Forced Labour in the Uyghur Region

This submission has been submitted on behalf of the following members and endorsers of the Coalition to End Forced Labour in the Uyghur Region, a coalition of over 280 Uyghur representative groups, civil society organisations, trade unions, faith-based groups and investors united to end state-sponsored forced labour and other egregious human rights abuses against people from the Uyghur Region in China, known to local people as East Turkistan. All statements in this document can only be attributed to those organisations with their names to this document.

- Anti-Slavery International, UK  
- Arise Foundation, UK  
- CORE Coalition, UK  
- CSW, UK  
- Foundation for Uyghur Freedom, UK  
- Freedom Fund, UK  
- Global Legal Action Network, UK  
- Labour behind the Label, UK  
- Lawyers for Uyghur Rights, UK  
- René Cassin, UK  
- The Rights Practice, UK  
- Trade Union Congress, UK  
- Unseen, UK  
- Campaign for Uyghurs, US  
- China Aid Association, US  
- Clean Clothes Campaign, Netherlands  
- Free Uyghur Now, US  
- Freedom United, US  
- Hong Kong Global Connect  
- Interfaith Center on Corporate Responsibility, US  
- International Campaign for the Rohingya, US  
- Investor Alliance for Human Rights, US  
- Maquila Solidarity Network, Canada  
- Responsible Sourcing Network, US  
- The Norwegian Uyghur Committee  
- The Uyghur American Association, US  
- Uyghur Association of Victoria, Australia  
- Uyghur Human Rights Project, US  
- Uyghur Rights Advocacy Project, Canada  
- World Uyghur Congress, Germany

Executive Summary

1. The Government of China is perpetrating human rights abuses on a massive scale in the Xinjiang Uyghur Autonomous Region (Uyghur Region), known to local people as East Turkistan, targeting the Uyghur population and other Turkic and Muslim-majority peoples on the basis of their religion and ethnicity. These abuses include arbitrary mass detention of an
estimated range of 1 million to 1.8 million people and a programme of re-education and forced labour.\(^1\) This involves both detainee labour inside internment camps and prisons and multiple forms of involuntary labour at workplaces across the Region and cities across China. These repressive policies—which legal experts have said may amount to crimes against humanity\(^2\)—are bolstered by a pervasive, technology-enabled system of surveillance.

2. Evidence has shown that the breadth of the forced labour policy creates significant risk of the presence of forced labour at virtually any workplace, industrial or agricultural, in the Uyghur Region.\(^3\)

3. In the garment industry, evidence has shown that forced labour is present in all stages of the production process, including in the planting, harvesting and processing of cotton, the spinning of yarn, the weaving of textiles and the manufacture of finished garments. This risk has been recognised by industry bodies such as the Fair Labor Association.\(^4\)

4. The fact that 84% percent of Chinese cotton comes from the Uyghur Region\(^5\) means that the yarn, textiles and garments made with Chinese cotton are at extraordinarily high risk of being tainted with forced and prison labour, whether manufactured in China or anywhere else in the world. In the world, China is one of the two largest cotton producers (with the Uyghur Region accounting for over 20% of global production), the largest producer and exporter of yarn, and the largest producer and exporter of textiles and apparel.\(^6\) The Chinese government plans on doubling manufacturing capacity in the Uyghur Region by 2025, with apparel and textiles forming a key element of that plan.\(^7\) The Uyghur Region is also the third-largest producer of cashmere in China, and China is the world’s largest cashmere producer.\(^8\)

5. With the scale of the risk, virtually the entire UK textile and apparel industry faces the risk of being linked to the abuses of Uyghurs and other Turkic and Muslim-majority peoples in one or more ways as described below:
   - Direct relationships with suppliers and sub-suppliers in the Uyghur Region.
   - The sourcing of inputs, including cotton, yarn and fabric, as well as other materials, from the Uyghur Region.
   - Relationships with Chinese companies, which have subsidiaries or operations located in the Uyghur Region, which have accepted Chinese government subsidies and/or employed workers provided by the government. A number of companies alleged to be within this category are key suppliers to the UK apparel industry. For

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\(^3\) Research organisations, including the Center for Strategic and International Studies, the Worker Rights Consortium, and the Australian Strategic Policy Institute, and investigative journalists from The Wall Street Journal, Associated Press, The New York Times, The Globe and Mail, ABC Australia, and other outlets have documented specific cases of forced labour in the apparel and textile industry in Aksu, Hotan, Korla, Yarkant, Artsu, Huocheng, Kashgar, Illi, and other locations. Further, we note the recent business advisory from the U.S. Department of State, the U.S. Department of the Treasury, the U.S. Department of Commerce, and the U.S. Department of Homeland Security (DHS), which on July 2, 2020 alerted US companies of the high risk of forced labour, among other human rights violations, in their Xinjiang-linked supply chains. See https://www.washingtonpost.com/world/2019/country-chapters/china-and-tibet/.


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\(^7\) Id.

\(^8\) Id.
example, in July 2020 the US Department of Commerce placed a subsidiary of the company Esquel Group in the Uyghur Region – Changji Esquel Textile Co. Ltd. – under sanctions through the Entity List, for “engaging in activities contrary to the foreign policy interests of the United States through the practice of forced labor involving members of Muslim minority groups in the XUAR”

- Relationships with suppliers and sub-suppliers, which have employed, at a workplace outside the Uyghur Region, workers from the Uyghur Region who were sent by the government (dubbed the ‘forced labour transfer schemes’)

6. The scale of the repression and the level of state control in the Uyghur Region means that it is impossible for any company to operate in the Uyghur Region in accordance with the UN Guiding Principles on Business and Human Rights. It is impossible for companies to conduct third-party audits or due diligence to verify the absence of forced labour, prevent or mitigate forced labour, or remediate forced labour. The impossibility of due diligence is a matter of consensus across many in the industry and auditing firms, as well as Uyghur representative groups, and human rights researchers.

7. Any company which claims to be able to operate or source from the Uyghur Region based on the reassurance from social audits or due diligence that no forced labour is present has failed to recognise the egregious nature of the abuses being committed in the Uyghur Region.

8. In addition, the Government of China is transporting Uyghurs and other Turkic and Muslim-majority peoples to other parts of China, where they are working in factories under conditions that strongly indicate forced labour. These transfers appear to have continued even during pandemic in periods of lockdown, putting Uyghurs at risk of contracting the virus. Brands must take urgent action to undertake enhanced due diligence to identify and remediate victims of forced labour transfers.

9. In July 2020, the Coalition to End Forced Labour in the Uyghur Region launched its Call to Action, outlining the steps to which brands and retailers must commit in order to ensure they are not benefiting from the forced labour of Uyghurs and other Turkic and Muslim-majority peoples. On launching the Call to Action, the Steering Committee wrote to almost 400 brands and retailers to request the brands to commit to each of the elements outlined in the “Brand Commitment to Exit the Uyghur Region” in the Call to Action. By 10 October 2020, only 10 UK-headquartered brands/retailers out of almost 90 contacted had engaged in formal discussion with the Coalition in response to our requests.

10. Brands and retailers must take urgent action to identify and end all links to the Uyghur Region in their supply chain, as detailed above. Current steps by the majority of the industry have been piecemeal. Comprehensive action addressing the entire supply chain is required.

11. Under current UK legislation, UK companies and companies operating in the UK have no legal responsibility to take action to prevent them from contributing to human rights abuses
in their supply chains. They are not legally obliged to undertake audits or due diligence. The UK Modern Slavery Act section 54 - Transparency in Supply Chains (TISC) imposes a reporting obligation on companies, but does not require companies to take steps to prevent harm in their supply chains. There is an urgent need for stronger measures in UK legislation and policy to ensure that UK companies are held responsible for preventing harm in their supply chains through mandatory human rights due diligence, and that the UK government employs other complementary measures to address forced labour in UK supply chains.

12. In April 2020 the Global Legal Action Network (GLAN) and World Uyghur Congress (WUC) submitted extensive evidence to Her Majesty’s Revenue and Customs (HMRC) requesting the suspension of imports of cotton goods produced with forced labour in China under the UK’s Foreign Prison-Made Goods Act 1897.\(^\text{17}\) HMRC has not acted upon GLAN and WUC’s submission. The submission argues that current imports involve forced labour on such a scale that they violate UK principles prohibiting the importation of prison-made goods, and should be halted by the UK’s customs authorities. The UK’s Foreign Prison-Made Goods Act 1897 prohibits the importation of goods produced in foreign prisons, and it is also suggested that the importation of the cotton might put the authorities at risk of falling afoul of criminal legislation, notably the Proceeds of Crime Act and the Serious Crime Act.

13. The UK government should employ a smart-mix of measures\(^\text{18}\) to eradicate forced labour of Uyghurs and other Turkic and Muslim-majority peoples from the supply chain of goods and services in the UK. The Department for Business, Energy and Industrial Strategy should:

- Urgently write to all UK brands and retailers retailing textile and apparel products to request:
  - The disclosure of any business relationships they hold with suppliers or sub-suppliers operating in or sourcing from the Uyghur Region, including information on whether brands/retailers hold any business relationships, at any level and in any location – i.e. with the parent company or a facility within the company structure – with companies which have subsidiaries or operations located in the Uyghur Region that have allegedly accepted Chinese government subsidies and/or employed workers provided by the government. Companies reported to be within this category include Youngor Group (see para. 29), Huafu Fashion Co (see para 25-26), Esquel Group (see para. 27-28), Shandong Ruyi Technology Group (see para. 29), Luthai Textile (see para. 29), and Jinsheng Group (see para. 29).
  - Information on the steps taken by said brand/retailer to identify and address the risk of being directly or indirectly linked to the forced labour of Uyghurs and other Turkic and Muslim-majority peoples in their supply chain, including through mapping of supply chains.
- Issue guidance to the UK apparel and textile sector on the ways by which the UK apparel industry is exposed to the risk of being linked to the use of Uyghur forced labour, based on the evidence provided in this submission which outlines the four ways by which the apparel and textile industry faces risk exposure.

\(^\text{17}\) https://www.glanlaw.org/uyghur-forced-labour
\(^\text{18}\) See statement by John Ruggie, former UN Secretary-General’s Special Representative for Business and Human Rights, that mandatory and voluntary measures are needed to ensure corporate respect of human rights https://www.business-humanrights.org/en/latest-news/john-ruggie-affirms-smart-mix-includes-mandatory-measures-at-finnish-eu-presidency-conference/
● Work with other relevant UK government departments to provide support to the apparel and textile industry to urgently identify and use alternate sources of supply of cotton/yarn/fabrics.

● Work with HMRC to suspend the import of products produced in part or in whole in the Uyghur Region and consider seizing products already in the UK through the Foreign Prison-Made Goods Act 1897, by responding in full to the submission filed by GLAN and WUC in April 2020 to HMRC. The introduction of a regional ban is considered a priority in the case of the Uyghur Region, due to the scale of forced labour in the Region, and the impossibility to meaningfully prevent or mitigate forced labour risks on the ground through supplier engagement. In other contexts, such measures may not be appropriate.

● Ensure coherence across UK Government departments in the UK Government’s response to the unfolding abuses of Uyghurs and other Turkic and Muslim-majority peoples. Approaches to ensure that UK companies undertake appropriate due diligence and supply chain mapping to end all links with forced labour of Uyghurs and other Turkic and Muslim-majority peoples must be matched by strong diplomatic measures and the use of foreign policy tools to put pressure on the Chinese government to end abuses of Uyghurs and other Turkic and Muslim-majority peoples, including sanctions on Chinese companies and individuals complicit in the persecution, supporting demands to the GOC to allow immediate, unfettered and meaningful access to the Uyghur Region for independent observers, and supporting calls for a human rights mechanism on China at the UN.

● Take all relevant steps, as above, to ensure the UK public sector undertakes appropriate due diligence to ensure the exclusion of goods tainted with forced labour of Uyghurs and other Turkic and Muslim-majority peoples from public procurement.

● These immediate measures must be taken as a precursor to longer term, broader measures to address forced labour in the supply chains of companies operating in the UK. In order to bring the UK in line with its international commitments on human rights, the Department for Business, Energy and Industrial Strategy should implement the following measures:

  ○ Work with other relevant UK Government departments to introduce a proposal for a corporate duty to prevent negative human rights and environmental impacts, mandating companies, financial institutions and the public sector to conduct human rights and environmental due diligence across their operations, subsidiaries and value chains, and with liability established for harm, loss and damage arising from a failure to prevent adverse impacts.

  ○ In addition to due diligence legislation, the Department should explore complementary options to require the UK textile and garment industry to increase transparency and traceability of their supply chains.

    ■ This should include work with other relevant UK Government departments to initiate amendments to UK customs-related regulations to ensure that all companies that import goods into the UK disclose to UK customs authorities important information,
including the name and address of manufacturers of goods and products, and that this information is publicly accessible.

- The Government should also ensure that as a minimum companies/retailers sign up to the Transparency Pledge\textsuperscript{19}, a commitment whereby companies adopt supply chain transparency — starting with publishing the names, addresses, and other important information about factories manufacturing their branded products. This Pledge has already been supported by a number of UK companies.

- In addition to due diligence legislation, the Department should work with other relevant UK Government departments to ensure UK trade and tariff measures complement the impact of mandatory human rights due diligence and ensure that international human rights and labour rights standards are upheld in UK trade agreements and trade.

- This could include steps to examine legislative options to introduce punitive tools to exclude products produced in whole or in part with forced labour from the UK market, learning the lessons from comparable legislation in the United States.\textsuperscript{20} If pursued, such measures should be developed to establish maximum positive impact for affected workers, ensuring that the measures are effective in promoting supplier engagement, providing prompt remediation, and preventing adverse consequences to workers. The rationale to levy such sanctions on any product must be transparent and disclosed, and the UK government must ensure that such measures are employed solely in the interests of upholding human rights. Further, the introduction of such punitive measures should not replace, or distract from, the responsibility over the buyers of products to conduct due diligence to identify, prevent, mitigate and remEDIATE risks as determined by the UN Guiding Principles on Business and Human Rights - as would be imposed by the introduction of mandatory human rights due diligence legislation - working closely with suppliers to do so in contexts where this is credible and feasible, including to examine the impact of buyers’ own purchasing practices on labour violations.

Section 1: The connection between the treatment of Uyghurs and other Turkic and Muslim-majority peoples and company value chains supplying the UK apparel industry

Background forced labour context

1. A key feature of the Government of China’s (GO) programme against Uyghurs and other Turkic and Muslim-majority peoples is the use of forced or compulsory labour – in or around

\textsuperscript{19} https://transparencypledge.org/

22 Zenz, Wash Brains, Cleanse Hearts, supra n. 23


27 Id.

28 Zenz, Beyond the Camps, supra n. 33 at p 14.

29 Id.

30 Lehr, Connecting the Dots, supra n. 11 at p. 6.

31 Id. at 7.
public re-education policy that involves internment with some vocational training, indoctrination, and finally release to factories in nearby industrial parks or camp factories. According to the GOC’s own documents, “After they [detainees] leave [the camps], the documents stipulate, every effort should be made to get them jobs.” The exact number of former detainees who have been coerced into working in a factory is not known, but estimates based on interviews and government statements is at least 100,000 former detainees are forced to work in garment and textile factories. Video reports from September 2020 from the Aksu province also reported on former detainees being forced to work in the textile sector. The government of Kashgar (a prefecture in the Uyghur Region), stated that it would send 100,000 former detainees who had completed ‘vocational training’ (time in a detention center) to work in factories, which would be 20% of the Uyghur population of Kashgar.

6. **Prison labour, and links to the cotton industry:** Some Uyghurs and other Turkic and Muslim-majority peoples are within the traditional prison population rather than in the internment system discussed above. In 2017 and 2018, over 230,000 people were sentenced by the courts in Uyghur Region, often with prison terms of five years or more, which was higher than any other period or region in China. The Xinjiang Production and Construction Corps (XPCC), for example, administers its own prison system and factories. XPCC — a quasi-governmental paramilitary organisation—is reported to force its own prison population to conduct commercial activities, mainly in cotton harvesting and production. XPCC was the enterprise to establish Xinjiang’s cotton industry, and some estimates suggest that XPCC produces almost 34% of China’s overall cotton output through its forced prison labour. Of note here, the Citizen Power Initiative (CPI) indicates that starting in 2017, the prison population of Uyghur and other Turkic and/or Muslim people increased dramatically as the central government clamped down. Evidence collected by CPI from the accounts of prisoners indicates that their work in XPCC system is the harvesting of cotton or the production of garments. In addition to harvesting cotton, CPI’s evidence suggests that prisoners are responsible for the manufacture of textiles, apparel and footwear. Until autumn 2019, XPCC was an implementing partner of the Better Cotton Initiative, a cotton sustainability initiative that provides cotton to much of the UK apparel industry – see para. 18.

7. **State-owned enterprises and private companies accepting subsidies to use forced labourers from the Uyghur Region:** The government offers incentives to Chinese-owned companies to

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32 Zenz, *Beyond the Camps*, supra n. 33 at p. 5.
34 Lehr, *Connecting the Dots*, supra n. 11 at p. 8; Deutsche Welle, “Exclusive: China’s systematic tracking, arrests of Uighurs exposed in new Xinjiang leak,” Feb 17, 2020, online at https://www.dw.com/en/exclusive-chinas-systematic-tracking-arrests-of-uighurs-exposed-in-new-xinjiang-leak/a-52397824 supra, n. 45 (“In dozens of cases, DW has found reference to a system of forced labor in factories. One such case of prolonged internment at a factory involves a man detained in May 2018 for contacting his brother, who had fled to Turkey.”)
35 According to the document, the detainee therefore “poses a certain level of danger to society.” The recommendation by the “community” is for him to ‘remain in a factory in the re-education camps.’
39 Id.
40 Id.
41 Lehr, *Connecting the Dots*, supra n. 11 at p. 8 (Citing Xiang Bo, “Xinjiang’s major cotton base reports record output in 2018,” Xinhua, https://perma.cc/YX77-6V05).
43 Id. at p. 18.
44 Id. at p. 19.
45 Id. at p. 31.
incorporate the Uyghur population into their operations.\(^{46}\) The Xinjiang government has offered subsidies and inducements to encourage Chinese-owned companies to invest and build factories within the ‘vocational training compounds,’ right next to such compounds.\(^{47}\) Additionally, according to CSIS, companies have been encouraged to build ‘satellite’ factories in villages to ensure that they are able to control and coerce every member to work.\(^{48}\) This programme links to the GOC’s pairing programme, in which mainland Chinese provinces are partnered with specific regions of the Uyghur Region.\(^{49}\) As CSIS has reported: “For instance, Aksu region is paired with the mainland’s Zhejiang province, with much of Aksu Industrial Park funded by Zhejiang and populated with Zhejiang companies such as Huafu Fashion Co. Ltd. Each pairing program has a sectoral focus based on the needs of paired mainland firms in certain industries, such as textile and agriculture sector needs in Zhejiang, Guangdong provinces, and others. In other words, pairing priorities in particular regions of the XUAR are related to the industrial needs of their paired province. Companies involved in pairing are expected to open factories in the XUAR and may be asked to receive government transfers of XUAR workers within the region itself and in their factories in mainland China.”\(^{50}\) Companies that have been alleged to be participants of this system, and their links to UK business, are discussed in para. 24-31.

8. Forced labour transfers: According to recent reports, at least 80,000 Uyghurs and other ethnic minorities were transferred from the Uyghur Region to factories in eastern and central China.\(^{51}\) This is part of a state-sponsored transfer-of-labour scheme that goes beyond just the cotton and garment manufacturing sector, marketed as ‘Xinjiang Aid.’\(^{52}\) This ‘Xinjiang Aid’ scheme allows companies to participate in two ways: (1) opening up satellite factories inside the Uyghur Region (see para. 7) or (2) hiring Uyghur workers for their factories located outside Uyghur Region.\(^{53}\) This is an expansion of the ‘poverty alleviation’ and ‘re-education’ programs discussed above.\(^{54}\) The isolation, surveillance, and monitoring of these workers all indicate forced labour as delineated by the ILO.\(^{55}\) These transfers appear to have continued even during pandemic in periods of lockdown, putting Uyghurs at risk of contracting the virus.\(^{56}\) The factories which have been alleged to be part of this Xinjiang Aid program are reportedly suppliers to some of the largest global apparel and technology companies - see para. 32-34.\(^{57}\)

Connections to the UK apparel industry

9. Virtually the entire UK apparel industry, and apparel companies operating in the UK, are at risk of being linked to the system described above, in one or more ways as described below.

Direct relationships with suppliers and sub-suppliers in the Uyghur Region

10. The structure of apparel supply chains, which are structured through a series of tiers of outsourcing to sub-suppliers down to the level of yarn spinning and cotton processing etc.,

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\(^{46}\) Lehr, Connecting the Dots, supra n. 11 at p. 6.
\(^{47}\) Id.
\(^{48}\) Id.
\(^{50}\) Amy Lehr, Addressing Forced Labor in the Xinjiang Uyghur Autonomous Region. p2
\(^{51}\) ASPI Report, supra n. 25.
\(^{52}\) Id. at 12.
\(^{53}\) Id at 13.
\(^{54}\) Id.
\(^{57}\) ASPI Report, supra n. 25, at p. 5.
means that direct relationships with entities in the Uyghur Region by UK apparel brands/retailers are perhaps less prevalent than the other linkages outlined in this document – particularly as the recent reputational risk associated with being linked to the Uyghur Region has led to brands/retailers ceasing relationships where these were present. **It is therefore important that scrutiny of linkages between the apparel industry and forced labour on Uyghurs focuses both on direct linkages to the Uyghur region, and indirect linkages through supplier relationships.**

11. We note, however, examples of direct relationships in the Uyghur Region in the supply chains of brands/retailers importing into the US, where customs data facilitates the transparency of such links. For example, it was recently reported that Summit Resource International, which is the wholesaler of Caterpillar-branded clothing, imported jackets and trousers from Xinjiang Ainuoxin Garment Co. and Jinan Ainuoxin Garment Co. as recently as June 2020. The supplier reportedly participates in “Xinjiang Aid” which as explained above is a programme involving forced or compulsory labour. 58

12. **The extent to which apparel is shipping directly from the Uyghur Region to the UK is not known because of the weakness of transparency of UK customs data.** Available data from 2019 states exports from the Uyghur Region to the UK in 2019 valued USD149 million, of which a proportion were textile products. 59

*The sourcing of inputs, including cotton, yarn and fabric, as well as other materials, from the Uyghur Region.*

13. Due to the Uyghur Region providing approximately 20% of all global cotton production, and the exposed links between the cotton and textile production industries in the Uyghur Region and the forced labour system (see above), **virtually the entire UK apparel industry is likely linked to the forced labour of Uyghurs and other Turkic and Muslim-majority peoples through the sourcing of cotton, yarn and textiles for the manufacturing of garments and other products.**

14. In response to the launch of the Coalition Call to Action in July 2020, the Thomson Reuters Foundation wrote to more than 30 leading global retailers about their supply chains in China and the origins of the cotton they sourced. Thomson Reuters reported that “*All the companies that responded - including Gap, Patagonia and Zara-owner Inditex - said they did not source from factories in Xinjiang, but the majority could not confirm that their supply chain was free of cotton picked from the region*” (emphasis added). 60

15. **Evidence submitted by the GLAN and WUC in April 2020 to HMRC reported evidence of Muji, Uniqlo, IKEA and H&M sourcing cotton-based inputs from the Uyghur Region. H&M and IKEA’s direct cotton sourcing from the Region was through the Better Cotton Initiative, which in March 2020 announced its decision to terminate licensing in the Region (see para 18.). In addition, H&M has since announced its decision to cease an indirect relationship with one yarn producer operating in the region (see para. 26).**

16. **In July 2020 Muji told the Guardian that it continues to use cotton yarn from the Uyghur Region but denied that its cotton and yarn are connected to forced labour. It stated “Our business partner [assures] us that the people who make our products have good working conditions and are treated with respect, the independent auditors have conducted on-site...**

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60 Thomson Reuters Foundation, *Brands urged to stop sourcing from China’s Xinjiang over forced labour fears*, July 23 2020, [https://news.trust.org/item/20200723031427-93pv8/](https://news.trust.org/item/20200723031427-93pv8/)
audit on these cotton spinning mills and have confirmed that there is no evidence of forced labour and discrimination of ethnoreligious minorities at their facilities.\[^{64}\] Muji’s response is in direct contradiction to the consensus across the industry, labour rights practitioners, human rights groups, and Uyghur representative groups that it is impossible to rely on audits to verify the absence of forced labour in the Uyghur Region due to the repression in the Region—see para. 18. and paras. 46-52. The only way that Muji can ensure that its supply chain is not connected to forced labour of Uyghurs is to fully cease sourcing of cotton and yarn from the Region.

17. Until late 2019, Uniqlo advertised men’s shirts made with ‘Xinjiang cotton’, claiming that it was of “superb quality” until an ABC news program reported on the link between this cotton and forced labour.\[^{62}\] In July 2020 Uniqlo told the Guardian that no Uniqlo product is manufactured in the region.\[^{63}\] It is unclear whether Uniqlo continues to source inputs from the Region for the manufacturing of products as evidenced by GLAN and WUC.

18. The Better Cotton Initiative (BCI) licenses farmers that grow Better Cotton used by over 200 brands/retailers globally, including numerous companies retailing in the UK.\[^{64}\] BCI’s Head Offices are based in London and Geneva. In March 2020 BCI announced that it was suspending its assurance activities in the Uyghur Region for the upcoming cotton season (2020-21) based on the recognition that the operating environment prevents credible assurance and licensing from being executed.\[^{65}\] On 21 October 2020, BCI announced that it had taken the decision to cease all activities in the Region, stating: “Sustained allegations of forced labour and other human rights abuses in the Xinjiang Uyghur Autonomous Region (XUAR) of China have contributed to an increasingly untenable operating environment, and BCI has, therefore, taken the decision to cease all field-level activities in the region effective immediately, including capacity building and data monitoring and reporting.”\[^{66}\]

19. Although slow to take action, we underline that BCI’s welcome decision to suspend licensing and cease all other activities in the Uyghur Region does not equate to full mitigation of the risk for brands/retailers retailing cotton-based goods. First, we note that the majority of brands do not solely source cotton from BCI. Therefore, the risk of sourcing cotton from the Uyghur Region may still be present in their non-BCI cotton supply chains and brands/retailers must take action to redirect their entire cotton sourcing volume away from the Uyghur Region. Second, even in sourcing BCI cotton, brands/retailers remain at risk of sourcing cotton lint from the Uyghur Region produced with forced labour. BCI allows for the substitution of conventional cotton for Better Cotton if the conventional cotton originates in the same country, and a trader or other intermediary buys the conventional cotton from the gin and sells it to a yarn spinner. Furthermore, unless a brand requires the spinning mills in its supply chain to only use physical Better Cotton in its products, a yarn spinner could use conventional cotton from the Uyghur Region for the yarn in a brand’s products, but pass on BCI Claim Units for that cotton.\[^{67}\] We note that BCI does not claim to provide physical traceability of Better Cotton to origin for its members.\[^{68}\]

20. China is the world’s largest exporter of yarn, exporting to a number of important textile producers in the region including Pakistan, Bangladesh, and Vietnam. China is also the world’s

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\[^{63}\] Id.

\[^{64}\] https://bettercotton.org/find-members/

\[^{65}\] https://bettercotton.org/where-is-better-cotton-grown/china/


\[^{67}\] See https://bettercotton.org/resources/key-facts/fact-3-use-of-mass-balance-traceability/

\[^{68}\] https://bettercotton.org/resources/key-facts/fact-7-marketing-claims/
largest producer and exporter of textiles, exporting to countries including Bangladesh, Vietnam and Cambodia. Much of the yarn and textiles likely include cotton from the Uyghur Region, due to the Uyghur Region producing 84% of China’s cotton, and therefore are also likely linked to the forced labour of Uyghurs and other Turkic and Muslim-majority peoples. Companies sourcing from these locations therefore face a high risk of using products manufactured with inputs from the Uyghur Region. See also paras. 24-32 on known yarn, fabric and textile suppliers to the industry and their operations in the Uyghur Region.

21. In order to ensure that their supply chains are not linked to the forced labour of Uyghurs, brands therefore must work with suppliers both in China and globally, particularly in South and Southeast Asia, to cease all sourcing from the Uyghur Region and identify alternate sourcing.

22. As exposure has increased on this issue, some brands have begun to take action to address the risks associated with cotton, yarn and fabric sourcing. We note the statement provided to media by the US fashion group PVH Corp. – owner of Tommy Hilfiger, Calvin Klein, among others – in July 2020 “that the company had agreed to cease all business relationships with factories and mills that produce garments or fabric in Xinjiang, or that supply cotton from the region, within the next 12 months”70 Further, we note the statement by Adidas to the Guardian in July 2020 that it has instructed its suppliers not to source yarn from the region.71

23. Despite the examples of specific brands/retailers above, the scale of the risk is currently so widespread and ubiquitous that no one single company can be singled out in this area. The fact that many brands have not been named as examples in this section does not equate to said brands not being equally at risk of being linked to the abuses of Uyghurs and other Turkic and Muslim-majority peoples in their sourcing of cotton/yarn/fabrics. We wish to underline that all companies retailing cotton-based goods in the UK must urgently take steps to address the risk of sourcing of inputs from the Uyghur Region.

Relationships with Chinese companies, which have subsidiaries or operations located in the Uyghur Region, which have accepted Chinese government subsidies and/or employed workers provided by the government.

24. Numerous UK companies and companies operating in the UK have business relationships with suppliers, which have subsidiaries or operations located in the Uyghur Region which have allegedly accepted Chinese government subsidies and/or employed workers provided by the government as described in para. 7.

25. A company that has been subject of much research is Huafu Fashion Co, a key supplier of yarn to much of the apparel industry.72 According to CSIS, Huafu has a ‘training college’ in the middle of Aksu Industrial Park, which was built as part of the government’s ‘poverty alleviation’ plan, and the training appears to have been paid for by government subsidies.73 Huafu reportedly has a factory right next door to its training college, and it is alleged to employ people who came from the government-subsidised training/re-education program.74 According to CSIS, satellite imagery reveals that these factories in the industrial park have abnormally high fences, suggesting securitised premises.75 The Huafu factory is touted as the

70 Lehr, Addressing Forced Labor in the Xinjiang Uyghur Autonomous Region, p4
72 The Guardian, July 23 2020
73 See for example, evidence given by Adrian Zenz to the US House Foreign Affairs Subcommittee on Asia and the Pacific https://docs.house.gov/meetings/FA/FA05/20191210/110316/HHRG-116-FA05-Wstate-ZenzA20191210.pdf and Lehr, Connecting the Dots.
74 Lehr, Connecting the Dots, p. 6-10.
75 Id.
“world’s largest mixed-colour cotton yarn mill” which the government considers part of its large-scale vocational training program. Until recently, Huafu Fashion Co. was a member of the Council of BCI (see above).  

26. In September 2020, H&M announced its decision to phase out its indirect relationship with Huafu Fashion Inc for yarn sourcing, regardless of unit or province. Adidas has also stated it would stop using Huafu as a supplier pending investigations. Abercrombie and Fitch, in response to the ASPI report, stated on Huafu that it “it decided to stop sourcing from the spinner [...] from 2020 onwards for any of our company’s brands.” (it is unclear whether Abercrombie & Fitch has ended relationships with the Huafu Group Co. at all levels). Yet, many companies may still be in business relationships with Huafu - companies which have publicly disclosed prior relationships with Huafu include Esprit, Inditex, as well as others. To the best of Coalition’s knowledge, it has not been made public whether these companies retain these relationships at the present time.

27. Another company which has been alleged to be within this category by researchers and human rights groups is Hong-Kong based Esquel Group, one of the world’s largest shirtmakers, which lists six businesses in Xinjiang alone, in addition to a large number of businesses elsewhere in China and elsewhere, including Vietnam. Esquel is also a registered company in the UK. In July 2020 the US Department of Commerce placed a subsidiary of Esquel in the Uyghur Region – Changji Esquel Textile Co. Ltd. – under sanctions through the Entity List, for “engaging in activities contrary to the foreign policy interests of the United States through the practice of forced labor involving members of Muslim minority groups in the XUAR”. Further, up until April 2020, Esquel was a shareholder of a joint venture company with a division of XPCC – see Section 6. In addition, according to the ASPI report, Esquel is one of the entities linked to the GOC’s forced labour transfer scheme. Esquel has denied all claims against it, saying accusations that Esquel uses forced labour are false, and that the company has not received any government subsidies for hiring Uyghurs or recruited workers from internment camps.

28. Companies which have previously publicly disclosed prior relationships with Esquel Group include Abercrombie & Fitch, GAP, Next as well as others. Further, in 2018 Esquel itself stated it supplied to Ralph Lauren, Marks & Spencer, Banana Republic, Hugo Boss, Muji, Abercrombie and Fitch, Tommy Hilfiger (PVH brand), Calvin Klein (PVH brand), Nike, 

26 Wall Street Journal, Western Companies Get Tangled, supra n. 76.
29 Wall Street Journal, Western Companies Get Tangled.
32 Open Apparel Registry, information provided from Inditex Facility List 2018 https://openapparel.org/facilities/20192590B29CF?q=huafu&contributors=225
33 See for example Wall Street Journal, Western Companies Get Tangled, and Lianchao Han, Cotton: The Fabric Full of Lies: A report on forced and prison labor in Xinjiang, China, and the nexus to global supply chains.
37 2020/07/22/2015827/addition-of-certain-entities-to-the-entity-list-revision-of-existing-entries-on-the-entity-list
39 ASPI report. 
43 Next, Tier 2 Supplier List, July 2020, https://www.nextplc.co.uk/~/media/Files/N/Next-PLC-V2/documents/corporate-responsibility/tier2-factory-list-july20.pdf
Patagonia, and Lacoste, among others. We are unaware of any company publicly announcing it would cease its relationship with Esquel. However, we note PVH’s statement quoted in para 22. and that in a statement in response to various allegations of Nike’s links to Uyghur forced labour, Nike stated it “does not directly source products from the Xinjiang Uyghur Autonomous Region (XUAR), and does not have relationships with... Esquel facilities in XUAR” (emphasis added).

In addition, Patagonia recently announced it would actively exit the Uyghur Region (we note that it is unclear whether this entails ceasing relationships with Esquel facilities located outside of the Uyghur Region) and Lacoste has reportedly committed to ceasing all supplier and sub-supplier relationships involved in the exploitation of Uyghurs.

29. In addition to Huafu and Esquel, companies including Jinseng Group (parent company of Lutai Textile), Luthai Textile Co., Shandong Ruyi, and Youngor Group, all of which have supplied to a number of well-known brands, reportedly have subsidiaries or operations located in the Uyghur Region that have allegedly accepted Chinese government subsidies and/or employed workers provided by the government.

30. The response by some brands/retailers thus far on exposure to this issue has been to rationalise their ongoing business relationship with said companies by the alleged reassurance from the suppliers that the consignment of product produced for the brand/retailer has not been produced in the Uyghur Region, and/or does not use inputs produced in the Uyghur Region for the company’s products. We note, for example, a statement provided by Muji to ABC on Huafu, in which it stated: “Although we do not directly do business with Huafu, we have confirmed — based on the organic cotton certificate — that Muji products have used Huafu yarn produced in areas other than Xinjiang.” This does not guarantee that the cotton was not grown or processed in the Uyghur Region before being “produced” elsewhere.


99 See the Citizen Power Initiative Report, p56. The report states: “Both Lutai Textile and Huafu Fashion actively participate in the Chinese government’s textile/apparel job creation program. For example, China’s official Xinhua News Agency praised Lutai as a leader in elevating Uighurs out of poverty in southern Xinjiang. In an interview explaining why his company helped local farmers to rapidly transform into textile industrial workers through vocational pre-job training, Lutai’s executive Li Keyin said that, “Our company is a labor-intensive enterprise. On the one hand, we depend on long fiber cotton in Aksu County. On the other hand, there is a large surplus of labor in the local rural areas that can meet the needs of our company.” Lutai has added many of these "surplus laborers" into its workforce. 82 Lutai Textiles is located in the Aksu Prefecture of Xinjiang. The director of the Human Resources and Social Security Bureau of Aksu Prefecture, Nurdong Yibula, told a reporter that since 2018 his bureau has coordinated the participation of more than 10,000 people in the “concentrated” training of workers in the textile and garment industry to promote the transformation of rural surplus labor to industrial workers.” See also reports by ABC, https://www.nbcnews.com/news/china/major-brands-try-determine-if-cotton-their-clothes-uighur-forced-n1240756. In addition, a 2018 Xinhuax article reports on the company’s investment in the Uyghur Region to build a 230,000 spindle cotton spinning project in Awati County, in Aksu prefecture, a county which has been dubbed “China Cotton City.” The article goes on to state that, at the time of writing, Xinjiang Lutai had recruited 1,154 people for employment, among which ethnic minority employees account for 80%. (See: http://www.xinhuanet.com/2018-11/28/c_1123779880.htm); The article frames Lutai’s operations in the region within Aksu’s general industry-based “poverty alleviation” strategy, stating that since 2018, the prefecture’s Human Resources and Social Security Bureau placed organised concentrated training in the textile and apparel industry for over 10,000 workers, promoting “the transformation of rural surplus labor into industrial workers.” Another article published in Xinjiang Daily in 2018 further discusses Lutai’s participation in “poverty alleviation” in Xinjiang, noting the company for sending over 200 "surplus laborers" to work. (See: http://news.ts.cn/system/2018/10/24/034288995.shtml)

100 According to reports, Shandong Ruyi is one of the participants in the Hundreds Villages Thousand Factories Pairing Program. See the ASPI report, p.38. In addition, a Xinjiang Daily article titled “Injecting Shandong Assistance to Kashgar to Win the Fight Against Poverty” states that the Ruyi Group launched a “800,000 spindles textile project” in Xinjiang as part of Shandong Province’s “poverty alleviation” efforts in Xinjiang. (See: https://web.archive.org/save/http://app.sddata.cn/xb/20190728/135743.html) The official website of Shule county published a spreadsheet in June 2019 listing the social insurance subsidies granted to Shule County Ruyi Technology Textile Co., Ltd for 246 newly recruited Uyghur “employees.” (See: http://www.shule.gov.cn/ShowBulletinContent307.shtml)

101 See for example, Wall Street Journal, Western Companies Get Tangled and https://wap.eastmoney.com/news/info/detail/20170721/1123779880.htm which note the company’s reception of government subsidies and participation in the “poverty alleviation” programme. See also the ASPI report.

Similarly we note comments by Puma to the magazine Glossy that “In terms of raw material suppliers (Tier 3), we are sourcing yarn from a supplier, who has links into Xinjiang Province, but Puma is only sourcing yarn from the supplier’s spinning factory in Zhejiang Province and a spinning factory in Vietnam, just outside of Ho Chi Minh City.” This is a perverse rationale, which fails to recognise the risks in maintaining any kind of financial relationship with a company which is allegedly linked to the system of forced labour in the Uyghur Region, a system which human rights experts have said may amount to crimes against humanity.

31. The UK Government should request that all UK companies and companies operating in the UK disclose business relationships with the Chinese companies alleged to be implicated in this system. Crucially, we note the need for brands/retailers to cease the overall relationship with these companies, i.e. any facility owned by the parent company, regardless of location and regardless of whether the products the supplier makes for brands/retailers are produced in the Uyghur Region, due to said companies’ alleged links to the system, and the lack of leverage held by brands/retailers to prevent, mitigate or remediate forced labour in the operations of these companies.

Relationships with suppliers and sub-suppliers which have employed, at a workplace outside the Uyghur Region, workers from the Uyghur Region who were sent by the government (dubbed ‘forced labour transfer schemes’).

32. According to research by ASPI, at least 82 companies have suppliers within their supply chain that have participated in Xinjiang Aid and that have Uyghur labour that indicates forced labour within their factories. Some of the companies on this list include: Abercrombie & Fitch, Acer, Adidas, Alstom, Amazon, Apple, ASUS, BAIC Motor, BMW, Bombardier, Bosch, BYD, Calvin Klein, Candy, Carter’s, Cerruti 1881, Changan Automobile, Cisco, CRRC, Dell, Electrolux, Fila, Founder Group, GAC Group (automobiles), Gap, Geely Auto, General Motors, Google, Goertek, H&M, Haier, Hart Schaffner Marx, Hisense, Hitachi, HP, HTC, Huawei, iFlyTek, Jack & Jones, Jaguar, Japan Display Inc., L.L.Bean, Lacoste, Land Rover, Lenovo, LG, Li-Ning, Mayor, Meizu, Mercedes-Benz, MG, Microsoft, Mitsubishi, Mitsumi, Nike, Nintendo, Nokia, Oculus, Oppo, Panasonic, Polo Ralph Lauren, Puma, Roewe, SAIC Motor, Samsung, SGMW, Sharp, Siemens, Skechers, Sony, TDK, Tommy Hilfiger, Toshiba, Tsinghua Tongfang, Uniqlo, Victoria’s Secret, Vivo, Volkswagen, Xiaomi, Zara, Zegna, ZTE.

33. The authors of this report, in an updated publication from September 2020, noted “a small number of brands advised they have instructed their vendors to terminate their relationships with the suppliers implicated in the labour schemes, but no brands were able to rule out a link further down their supply chain.” Please refer to the ASPI report for details.

34. It is important to underline that even if companies are not clearly linked to Uyghur forced labour transfers, there remains a high likelihood that brands and retailers may still be linked to the forced labour of Uyghurs in other areas of their supply chain as denoted in paras. 9-31.

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Other sectors and public procurement

35. In addition to textiles, CSIS’ research has noted that the electronics, plastics, and agriculture industries are potential areas for growing production in the Uyghur Region that may connect to global supply chains, with a risk of forced labour. CSIS research also notes that the Uyghur Region is also an important source of rare earth metals used in consumer electronics and aviation. The links between these industries, the forced labour system, and global supply chains require more scrutiny, and underscore the urgent need for the GOC to allow access to the Uyghur Region for independent investigators.108

36. The US Government in its Xinjiang Supply Chain Business Advisory has also listed the following industries as potentially as risk: Agriculture (including such products as hami melons, korla pears, tomato products, and garlic); Cell Phones; Cleaning Supplies; Construction; Electronics Assembly; Extractives (including coal, copper, hydrocarbons, oil, uranium, and zinc); Fake Hair and Human Hair Wigs; Hair Accessories; Food Processing Factories; Hospitality Services; Noodles; Printing Products; Footwear; Stevia; Sugar; Textiles (including such products as apparel, bedding, carpets, wool); and Toys.109

37. In addition, we note that the risk that PPE used during the Covid-19 pandemic was manufactured through the forced labour of Uyghurs. The New York Times found evidence of several factories manufacturing medical grade protective equipment in cities across China which reportedly use Uyghur labour through the labour transfer scheme (see para. 8) and export globally. The New York Times traced such a shipment to a medical supply company in the U.S. state of Georgia.110 Given these identified cases, there is a likelihood that UK public procurement of PPE during the pandemic may also have been the product of Uyghur forced labour.

Section 2. Whether existing legislative and audit requirements for businesses in the UK are sufficient to prevent them from contributing to the human rights abuses experienced by Uyghurs

Current UK legislative requirements are insufficient to prevent businesses from contributing to human rights abuses

38. UK companies and companies operating in the UK have no legal responsibility to take action to prevent them from contributing to human rights abuses in their supply chains under UK legislation. They are not legally obliged to undertake audits or due diligence.

39. Under the UK’s Modern Slavery Act 2015 Section 54 Transparency in Supply Chains (TISC), UK companies with a revenue of over £36 million per year are required to produce an annual report on the steps they have taken to address modern slavery in their supply chains. The TISC provision requires companies only to disclose the steps they are taking to prevent slavery in their supply chains, but does not oblige them to take those steps. While some companies have used transparency measures as an opportunity to advance efforts to address modern slavery, many have not. In September 2020 the Government proposed steps to strengthen the TISC provision, including to extend it to the public sector.111 However, the fact

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108 Lehr, Addressing Forced Labor in the Xinjiang Uyghur Autonomous Region, p3.
that the Government has not committed to meaningful sanctions and enforcement measures is a major concern, instead tying this to the development of a Single Enforcement Body, which could take many years. The weak enforcement of the legislation is recognised by the Independent Review of the Act undertaken by Frank Field MP, Maria Miller MP and Baroness Butler-Sloss, which found that an estimated 40 per cent of eligible companies are not complying with the legislation at all.112

40. Measures to strengthen the Modern Slavery Act are welcome, but overall, reporting legislation such as TISC is insufficient to ensure companies take action to prevent harm in supply chains: there is a need for a stronger law to mandate companies to undertake human rights due diligence, and to hold them legally accountable if they fail to prevent abuse. There is growing international consensus on the need for due diligence legislation, with France, Germany, the Netherlands, and Switzerland, among others, having introduced or considering introducing mandatory due diligence legislation. The European Commission has committed to introducing a legislative proposal for EU-wide mandatory human rights and environmental due diligence in 2021. Businesses have supported proposals for due diligence legislation.113

41. The 2020 study ‘A UK Failure to Prevent Mechanism for Corporate Human Rights Harms’ by the British Institute of International and Comparative Law (BIICL) finds that a law to penalise companies that fail to prevent human rights harms, modelled on the UK Bribery Act, as recommended in 2017 by Parliament’s Joint Committee on Human Rights114, is legally feasible and desirable.115

42. Under such a law, commercial organisations would be mandated to undertake human rights and environmental due diligence in line with the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. This would include steps to identify, prevent, mitigate and remediate actual and potential risks of forced labour in their global operations, activities, products, services, investments and supply chains. In the event that a company failed to take all reasonable and appropriate measures to prevent harm in their supply chain, a company could be held liable. In the case of Uyghur forced labour, this would entail companies conducting due diligence to identify the risks of being linked to Uyghur forced labour through supply chain mapping and traceability; and ceasing relationships where other prevention, mitigation and remediation measures are not possible or prove insufficient - in line with the UNGPs (see paras 49.-55).

43. In addition, we note that the UK Government has yet to use other tools available to prevent UK companies from contributing to the human rights abuses experienced by Uyghurs. In April 2020 GLAN and WUC submitted extensive evidence to HMRC requesting the suspension of imports of cotton goods produced with forced labour in China under the UK’s Foreign Prison-Made Goods Act 1897.116 HMRC has not acted upon GLAN and WUC’s submission. The submission argues that current imports involve forced labour on such a scale that they violate UK principles prohibiting the importation of prison-made goods, and should be halted by the UK’s customs authorities. The UK’s Foreign Prison-Made Goods Act 1897 prohibits the importation of goods produced in foreign prisons, and it is also suggested that the importation of the cotton might put the authorities at risk of falling afoul of criminal legislation, notably the Proceeds of Crime Act and the Serious Crime Act.

114 https://publications.parliament.uk/pa/jt201617/jtselect/jtrights/443/44311.htm
116 https://www.glanlaw.org/uyghur-forced-labour
44. Further, the situation has underscored the weakness and lack of transparency of UK customs data, which makes it impossible for any external stakeholder to identify which companies are importing products into the UK directly from the Uyghur Region.

45. Further, we welcome that the Global Human Rights Sanctions Regulations 2020 put in place sanctions measures for violations include an individual’s ‘right to be free from slavery, not to be held in servitude or required to perform forced or compulsory labour’. However, we note that the UK Government has yet to utilise this to impose sanctions on individuals or corporations directly implicated in the persecution of Uyghurs and other Turkic and Muslim-majority peoples in the Uyghur Region. Such punitive tools should be employed in parallel to measures addressing the responsibility of UK brands and retailers to take action to prevent harm in their supply chains.

Social audits are an insufficient tool to identify and address forced labour risks

46. Beyond legislative requirements, UK companies cannot rely on social audits as a means by which to identify, prevent or mitigate the risk of contributing to the human rights abuses. Audits are an inadequate model by which to address labour abuses in supply chains. In particular, audits are not a reliable approach alone to identify the risks of forced labour in supply chains, due to the fact that forced labour is often hidden, the vulnerabilities faced by workers trapped in forced labour, the fact that audits provide only a “snapshot” in time, and the complexities of forced labour. 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.”

47. In the Uyghur Region, audits are useless as a mechanism of due diligence. Any company which claims to be able to operate or source from the Uyghur Region based on the reassurance from social audits or due diligence (see below) that no forced labour is present, or that it is possible to remediate instances of forced labour, has failed to recognise the egregious nature of the abuses being committed in the Uyghur Region. There are no valid means for companies to verify that any workplace in the Uyghur Region is free of forced labour. Worker interviews, which are essential to the methodology of any labour or human rights investigations, cannot generate reliable information in these circumstances. No worker can speak candidly to factory auditors about forced labour or other human rights issues without placing themselves and their families at risk of brutal retaliation; there are widespread restrictions and repression of fundamental freedoms and human rights defenders, and civic space has been shut down. Brands/retailers which have attempted to investigate forced labour in their supply chains in the Uyghur Region have noted security risks in doing so both to auditors, translators and workers.

48. Recognising the impossibility of audits, in September 2020 a number of global auditing firms, of- used by UK brands and retailers announced that they will no longer conduct audits in the Uyghur Region. Two of these companies - WRAP and Bureau Veritas - had previously conducted audits of the operations of Chinese companies in the region, Heitan Taida Apparel Co. and Yili Zhuowan Garment Manufacturing Co. respectively, and allegedly found no evidence of forced labour. In 2019, the October, US. Customs and Border Protection (CBP)

119 In July 2020, the US Government issued a Xinjiang Supply China Business Advisory which also noted that third-party audits are unlikely to be a credible source of information alone for indicators of labour abuses in the Region https://home.treasury.gov/system/files/126/20200703_xinjiang_advisory.pdf
120 These included Bureau Veritas in France, TÜV SÜD of Germany and Worldwide Responsible Accredited Production (WRAP) in the United States, which previously performed or participated in labour audits in the Uyghur Region, as well as Italy’s RINA, Social Compliance Services Asia in Hong Kong and U.S.-based Accordia Global Compliance Group and Sumerra which also confirmed that their operations will not extend into the Uyghur Region. https://www.wsj.com/articles/auditors-say-they-no-longer-will-inspect-labor-conditions-at-xinjiang-factories-11600697706
issued a Withhold Release Order on a shipment of the Heitan Taida’s, destined for Costco, in response to credible evidence that the products had been illegally manufactured, in whole or in part, using modern slavery. Further in July 2020, the US Department of Commerce’s Bureau of Industry and Security (BIS) added Hetian Taida to an “entity list” prohibiting the company from purchasing American technology and products without a special license and implicating it in human-rights abuses against Uyghurs. Similarly, in September 2020 CBP blocked imports of products made by Yili Zhuowan after finding indicators of forced labour at the facility, including restriction of movement, withholding of wages and “abusive working and living conditions”.

Due diligence measures are impossible to implement in the Uyghur Region

49. Going beyond audits, no forms of due diligence to verify the absence of forced labour, and prevent, mitigate and remediate forced labour, are possible to implement in the Uyghur Region. The only form of due diligence possible is through supply chain mapping and the cease of relationships (see para. 52) In other contexts, brands and retailers are encouraged to go beyond audits to identify, prevent and mediate the risk of forced labour, working closely with suppliers, trade unions and civil society to ensure decent work conditions. In the Uyghur Region, such measures are not possible (see paras. 53-54 on due diligence measures outside of the Uyghur Region to monitor the risk of ‘forced labour transfers’). In a public communication in January 2020, the Fair Labor Association noted the following reasons for why due diligence is not possible in the Region:

“Normally forced labor can be detected and remediated through effective due diligence measures. In the case of Xinjiang, however, companies cannot rely on normal due diligence activities to either confirm—or rule out—the presence of forced labor. Impediments to effective due diligence and effective remediation of forced labor stem from:

- Restricted access: The Chinese government has restricted regular travel to the region and imposed heavy surveillance on those who do travel there. Independent auditors are not able to gain unfettered access to work sites.
- Unreliable information: Workers are not able to communicate freely about their status at the work site or the working conditions without fear of political reprisal against themselves or their family members. Other individuals in the region, including auditors, may not be able to communicate freely about their findings without fear of reprisal.
- Lack of effective remediation options: Suppliers operating in the region may face a situation in which the Chinese government, not the company, mandates and controls recruitment of affected workers. This may limit their ability to communicate freely about the situation as well as their ability to protect affected workers.”

50. The UK-based Ethical Trading Initiative has also noted the challenges to due diligence in the region: “There are reported challenges in conducting supply chain due diligence within the XUAR. As the CSIS report documents, the particular conditions in which the recruitment and employment of these workers is occurring mean that obtaining reliable information by

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123 https://www.fairlabor.org/report/forced-labor-risk-xinjiang-china-0
interviewing the workers is difficult. There are also constraints on access by independent auditors to the region."124

51. Given the pervasive scope of the abuses, the fact that forced labour is state-orchestrated, and the impossibility to address these abuses, brands/retailers therefore need to operate on the presumption that all products produced in part or in whole in the Uyghur Region are at high risk of being tainted by forced labour. No brand’s claim that it can continue doing business in the Uyghur region due to its ability to verify the absence of forced labour can be taken credibly. This conclusion has been taken by the US House of Representatives, which in September 2020 overwhelmingly passed the Uyghur Forced Labor Prevention Act (H. R. 6210) on a bi-partisan basis.125 The Act establishes the legal presumption that any product arriving at U.S. ports that was manufactured in the Uyghur Region or contains inputs from the region was made using forced labour. If/when the law goes into force, unless the CBP determines by “clear and convincing evidence” that no forced labour was used in its production, importation of the product will be considered illegal and the product shall not be entitled to entry into the United States, as per section 307 of the Tariff Act of 1930 (19 USC 1307). The Act must now be passed by the US Senate. The Fair Labor Association also noted in guidance to its members in January 2020 that “Companies should presume that raw materials, semi-finished, or finished goods from Xinjiang are likely to be produced with forced labor.”126

52. In line with the above, the only form of due diligence which brands and retailers can conduct to ensure they are not unwittingly bolstering the government’s repression in the Uyghur Region is to identify all links to the Uyghur Region through supply chain mapping and traceability, and to fully extricate their supply chains from the Uyghur Region – in sourcing of cotton/yarn and other inputs, and through the ceasing of business relationships with companies that have subsidiaries or operations located in the Uyghur Region that have been reported to have accepted Chinese government subsidies and/or employed workers provided by the government (see paras 9-31). Companies must take these steps to meet the corporate responsibility to respect human rights as defined by the UNGPS and the OECD Due Diligence Guidance for Responsible Supply Chains in the Footwear and Garment Sector.

Due diligence of Uyghur ‘forced labour transfers’

53. In order to address the risk of suppliers using ‘forced labour transfers’, brands and retailers must undertake enhanced due diligence of facilities outside the Uyghur Region from which it sources its own products, in order to identify such forced labour transfers. As noted by the FLA: “companies should be attuned to the fact that manufacturers in China may be compelled by the government to participate in employment or training programs, and as a result, may not be free to be transparent to buyers about the status of some of the workers in their facility.”127

54. Should forced labour transfers be identified, brand and retailers must work with suppliers to provide appropriate remediation to the victims, and ensure that any remediation options do not place Uyghurs and other Turkic-Muslim majority peoples at greater harm. Should remediation not be possible, brands and retailers must cease relationship with the supplier in question – at all levels, not solely related to one specific facility. As noted by FLA “Companies

125 https://rules.house.gov/bill/116/hr-6210
127 Id.
Section 3. What action the Department for Business, Energy and Industrial Strategy should take to eradicate forced labour from the supply chain of goods and services sold in the UK

55. The UK government should employ a smart-mix of measures\textsuperscript{129} to eradicate forced labour of Uyghurs and other Turkic and Muslim-majority peoples from the supply chain of goods and services in the UK. The Department for Business, Energy and Industrial Strategy should:

- Urgently write to all UK brands and retailers retailing textile and apparel products to request:
  - The disclosure of any business relationships they hold with suppliers or sub-suppliers operating in or sourcing from the Uyghur Region, including information on whether brands/retailers hold any business relationships, at any level and in any location – i.e. with the parent company or a facility within the company structure – with companies which have subsidiaries or operations located in the Uyghur Region that have allegedly accepted Chinese government subsidies and/or employed workers provided by the government. Companies reported to be within this category include Youngor Group (see para. 29), Huafu Fashion Co (see para 25-26), Esquel Group (see para. 27-28), Shandong Ruyi Technology Group (see para. 29), Luthai Textile (see para. 29), and Jinsheng Group (see para. 29).
  - Information on the steps taken by said brand/retailer to identify and address the risk of being directly or indirectly linked to the forced labour of Uyghurs and other Turkic and Muslim-majority peoples in their supply chain, including through mapping of supply chains.
- Issue guidance to the UK apparel and textile sector on the ways by which the UK apparel industry is exposed to the risk of being linked to the use of Uyghur forced labour, based on the evidence provided in this submission which outlines the four ways by which the apparel and textile industry faces risk exposure.
- Work with other relevant UK government departments to provide support to the apparel and textile industry to urgently identify and use alternate sources of supply of cotton/yarn/fabrics.
- Work with HMRC to suspend the import of products produced in part or in whole in the Uyghur Region and consider seizing products already in the UK through the Foreign Prison-Made Goods Act 1897, by responding in full to the submission filed by GLAN and WUC in April 2020 to HMRC. The introduction of a regional ban is considered a priority in the case of the Uyghur Region, due to the scale of forced labour in the Region, and the impossibility to meaningfully prevent or mitigate forced labour risks on the ground through supplier engagement. In other contexts, such measures may not be appropriate.

\textsuperscript{128} Id.

\textsuperscript{129} See statement by John Ruggie, former UN Secretary-General’s Special Representative for Business and Human Rights, that mandatory and voluntary measures are needed to ensure corporate respect of human rights https://www.business-humanrights.org/en/latest-news/john-ruggie-affirms-smart-mix-includes-mandatory-measures-at-finnish-eu-presidency-conference/
● Ensure coherence across UK Government departments in the UK Government’s response to the unfolding abuses of Uyghurs and other Turkic and Muslim-majority peoples. Approaches to ensure that UK companies undertake appropriate due diligence and supply chain mapping to end all links with forced labour of Uyghurs and other Turkic and Muslim-majority peoples must be matched by strong diplomatic measures and the use of foreign policy tools to put pressure on the Chinese government to end abuses of Uyghurs and other Turkic and Muslim-majority peoples, including sanctions on Chinese companies and individuals complicit in the persecution, supporting demands to the GOC to allow immediate, unfettered and meaningful access to the Uyghur Region for independent observers, and supporting calls for a human rights mechanism on China at the UN.

● Take all relevant steps, as above, to ensure the UK public sector undertakes appropriate due diligence to ensure the exclusion of goods tainted with forced labour of Uyghurs and other Turkic and Muslim-majority peoples from public procurement.

● These immediate measures must be taken as a precursor to longer term, broader measures to address forced labour in the supply chains of companies operating in the UK in order to bring the UK in line with its international commitments on human rights, the Department for Business, Energy and Industrial Strategy should implement the following measures:
  ○ Work with other relevant UK Government departments to introduce a proposal for a corporate duty to prevent negative human rights and environmental impacts, mandating companies, financial institutions and the public sector to conduct human rights and environmental due diligence across their operations, subsidiaries and value chains, and with liability established for harm, loss and damage arising from a failure to prevent adverse impacts.
  ○ In addition to due diligence legislation, the Department should explore complementary options to require the UK textile and garment industry to increase transparency and traceability of their supply chains.
    ■ This should include work with other relevant UK Government departments to initiate amendments to UK customs-related regulations to ensure that all companies that import goods into the UK disclose to UK customs authorities important information, including the name and address of manufacturers of goods and products, and that this information is publicly accessible.
    ■ The Government should also ensure that as a minimum companies/retailers sign up to the Transparency Pledge130, a commitment whereby companies adopt supply chain transparency — starting with publishing the names, addresses, and other important information about factories manufacturing their branded products. This Pledge has already been supported by a number of UK companies.

130 https://transparencypledge.org/
○ In addition to due diligence legislation, the Department should work with other relevant UK Government departments to ensure UK trade and tariff measures complement the impact of mandatory human rights due diligence and ensure that international human rights and labour rights standards are upheld in UK trade agreements and trade.

○ This could include steps to examine legislative options to introduce punitive tools to exclude products produced in whole or in part with forced labour from the UK market, learning the lessons from comparable legislation in the United States.\footnote{See Corporate Accountability Lab on potential risks associated with such approaches \url{https://corpaccountabilitylab.org/calblog/2020/8/28/using-the-masters-tools-to-dismantle-the-masters-house-307-petitions-as-a-human-rights-tool}.} If pursued, such measures should be developed to establish maximum positive impact for affected workers, ensuring that the measures are effective in promoting supplier engagement, providing prompt remediation, and preventing adverse consequences to workers. The rationale to levy such sanctions on any product must be transparent and disclosed, and the UK government must ensure that such measures are employed solely in the interests of upholding human rights. Further, the introduction of such punitive measures should not replace, or distract from, the responsibility over the buyers of products to conduct due diligence to identify, prevent, mitigate and remediate risks as determined by the UN Guiding Principles on Business and Human Rights - as would be imposed by the introduction of mandatory human rights due diligence legislation - working closely with suppliers to do so in contexts where this is credible and feasible, including to examine the impact of buyers’ own purchasing practices on labour violations.