

# ETI position: Uyghur workers in global supply chains

08 July 2021

The Ethical Trading Initiative (ETI) is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Our vision is a world where all workers are free from exploitation and discrimination, and enjoy conditions of freedom, security and equity.

ETI's approach to doing business responsibly in complex global supply chains is closely based on the <u>UN Guiding Principles on Business and Human Rights</u>, which set out the Protect, Respect and Remedy framework. States should protect human rights; businesses should respect those rights; and both should work to provide remedy when rights are violated.

ETI works with its members to practically implement the obligations set out in the UN Guiding Principles, focusing on the rights set out in the <u>ETI Base Code</u> through a process of continuous improvement and shared learning. The Base Code has 9 clauses, of which the first is 'Employment is freely chosen'. There should be no forced, bonded or involuntary prison labour.

In October 2019, ETI published specific guidance on <u>State-Imposed Forced Labour</u>. The guidance set out recommended actions that businesses should take, both individually and together with industrial groups and other stakeholders, to prevent and remediate forced labour in their supply chains. However, there is a limit to the actions that individual businesses can take. Action from governments is also needed to ensure businesses can act responsibly.

In June 2020 and March 2021, ETI published position statements on the issue of Uyghur forced labour. This statement updates and replaces the earlier versions.

For human rights, for better business

#### Issue

ETI is deeply concerned about ongoing reports documenting widespread abuse, exploitation and atrocities committed against members of the Uyghur community and other Muslim- and Turkic-majority communities within the Xinjiang Uyghur Autonomous Region (XUAR) and elsewhere in China. We note in particular reports by the US Centre for Strategic and International Studies (CSIS), investigative reporting by the BBC and most recently, the UK Foreign Affairs Committee report 'Never Again: The UK's Responsibility to Act on Atrocities in Xinjiang and Beyond'.

The UK Government <u>has described</u> the treatment of these communities as 'a highly disturbing program of repression' and described well-evidenced 'appalling violations of the most basic human rights' on an '<u>industrial scale</u>'. The latest report by the UK Foreign Affairs Committee joins UK lawmakers, <u>the US</u>, Canada,

the Netherlands, and Lithuania, in stating the treatment of these communities, amounts to crimes against humanity and genocide, and calls for a much stronger response.

As part of this abuse and exploitation, evidence suggests that many members of the affected communities are placed into conditions of forced labour within the XUAR, as <u>this report</u> by the CSIS documents. Many others are moved into conditions of forced labour elsewhere in China through a state-run labour transfer scheme, as has been evidenced in <u>a report by</u> the Australian Strategic Policy Institute.

Many sectors have supply chains that may intersect with these instances of forced labour. Within the XUAR, this includes primarily cotton but also food products, and some industrial ingredients. Cotton is particularly significant since the XUAR produces approximately 80% of China's cotton, equivalent to approximately 16% of the world's cotton. Other sectors with high risks may include automobile manufacture and electronics.

The operation of the labour transfer scheme means that affected workers may be found in a wide range of other supply chains across China.

### **Business action**

Many businesses have already taken important steps to map their supply chains and prevent or mitigate risks of forced labour wherever they can, in line with the UN Guiding Principles.

However, there are significant challenges to conducting meaningful human rights due diligence on this issue. Within the XUAR, there are reported constraints on the ability of independent auditors to freely access the region. The wider context also means that affected workers are likely unable to speak freely. Therefore, audits conducted within the XUAR cannot be relied upon and there must be a presumption of a high risk of forced labour in any workplace located within the region.

Due to these limitations, all businesses should take extra steps to ensure their supply chains are not linked in any way with the XUAR. The Coalition to End Forced Labour in the Uyghur Region has set out in its <u>Call to Action</u> a roadmap for businesses to follow to achieve this. ETI supports the objectives of the Call to Action and we believe its roadmap offers a clear path for businesses to follow. We encourage all businesses to engage with the Coalition to learn how they can proceed on this issue. This offers the benefits of being able to engage directly with Uyghur community representatives, thereby developing a more informed understanding of the issues, and of joining a number of businesses who have signed up to maximise the collective leverage for change.

Outside the XUAR, some due diligence may be possible on this issue. However, there are significant challenges including safeguarding concerns relating to local staff or partners and the inability or unwillingness of suppliers to speak openly on the topic. Businesses should augment their normal auditing practices with surveys of local media coverage and local government documents that may identify particular suppliers making use of the labour transfer scheme. Businesses should seek to engage with specialist organisations that can facilitate access to this information.

#### **Government** action

While urgent and considered business action is crucial, this can only go so far. The severity of the ongoing situation cannot be resolved without significant, multilateral engagement at government level. ETI welcomes the <u>recent statements</u> made by the UK Government and the report by Parliament's Foreign Affairs Committee, but much more must be done if

actions are to match the rhetoric to end abuse . In particular, we call on the UK Government to:

- Give serious consideration to the steps outlined in the <u>UK Foreign Affairs Committee's</u> latest report;
- Increase pressure on and engagement with both the Chinese government and international human rights observers to facilitate access to Xinjiang and areas involved in China's labour transfer scheme;
- Leverage their international presence to mobilise multilaterals, including UN bodies and the International Criminal Court, to assess the feasibility of establishing investigations on the events taking place;
- Publish more comprehensive guidance for businesses on the risks of Uyghur forced labour linked to their supply chains, building on the <u>initial guidance</u> they have set out;
- Support businesses and auditing bodies to access information that can support their human rights due diligence.

## Contact

If you would like to engage with ETI on this issue, please contact: <u>media@eti.org.uk</u>