

# Ethical Trade Norway position statement: Norwegian companies cannot accept forced labour in their Chinese supply chains

Together with our 170 members, Ethical Trade Norway works for trade that benefits people, society and the environment. Our binding Declaration of principles and guidance is based on the current recognised UN and ILO conventions for human and labour rights, as well as key frameworks from the UN and the OECD that require the business community to respect and safeguard people, society and the environment in their own business and throughout the supply chain. The first article of our Declaration of Principles affirms that there shall be no form of forced labour, slave labour or involuntary work, cf. ILO Conventions 29 and 105. Ethical trade Norway's strategy for 2021-2024 also contains an objective that «Members have prevented and contributed to reducing forced labour, a form of modern slavery, in their supply chains ».

#### Forced labour in China

Ethical Trade Norway is concerned about the situation of the Uighur population and other Muslim and Turkish minority communities in the Xinjiang Uyghur Autonomous Region (XUAR) and elsewhere in China. Several reports and media channels have recently documented extensive abuse and exploitation of these population groups. Forced labour and serious human rights violations are linked to the production of, among other things, cotton and solar cells, and may also be linked to other sectors. Chinese authorities are sponsoring a work transfer program that has been criticised for involving forced labour. This means that forced labor can occur in a wide range of other supply chains across China.

# Advice for companies

Due diligence assessments are a risk-based approach that business enterprises can use to stop, reduce or prevent adverse impact for people, society and the environment and is a basic prerequisite for the success of ethical trade. In June



2021, the Norwegian Parliament passed the Transparency Act, which will require larger companies operating in or from Norway to carry out and report on due diligence assessments. Ethical trade Norway recommends companies trading from China to use this approach with a view to mapping and managing the risk of forced labour:

1. Map the supply chain to identify the origin of raw materials from and production in XUAR.

Ethical Trade Norway acknowledges that it is challenging to conduct well-informed risk assessments of the supply chain in XUAR due to a lack of transparency, traceability and availability of information. There have also been examples of independent auditors being denied access to the region, and affected employees not being able to speak freely. Therefore, audits performed in XUAR are not necessarily reliable sources of information and the risk of forced labour should be considered high for any workplace in the region.

2. Avoid production in XUAR as long as it is not possible to verify whether forced labour is used.

Due to the high risk of forced labour, companies trading with China should ensure that their supply chains can in no way be linked to XUAR. The coalition End Forced Labour in the Uyghur Region has in its appeal to the business community made a guide for companies that Ethical Trade Norway recommends Norwegian companies to familiarize themselves with.

3. Strengthen controls in the rest of China to ensure that forced labourers are not used.

For suppliers outside XUAR, it may to a greater extent be possible to carry out due diligence assessments, although here too the safety of workers and the opportunity to speak freely must be taken into account. In addition to using normal auditing practices, we recommend using alternative sources to identify suppliers that may be related to the work transfer programme.

4. Collaborate with others in and outside your own industry



The task of mapping and managing this risk can be challenging for the individual business. Therefore, we encourage collaboration in industry communities and across industries. Ethical Trade Norway as a multi-party stakeholder wants to be a forum for sharing experiences on complex topics and will initiate member meetings for the exchange of good practice in the future.

### Recommendations to authorities

Ethical Trade Norway supports the <u>statement</u> of a broad group of human rights experts in the UN system urging the Chinese government to stop any targeted treatment of a people group that does not comply with international law, norms and standards related to human rights. We also support the expert group's call on the Chinese authorities to allow inspections in the region.

We also hope that the Norwegian authorities will use their channels to promote the same message to China, also in the negotiations on a free trade agreement.

## Relevant reports and sources

<u>US Center for Strategic and International Studies (CSIS): Addressing Forced Labor in the Xinjiang Uyghur Autonomous Region</u>

Australian Strategic Policy Institute (ASPI): Uygurs for Sale

<u>Helena Kennedy Centre at Sheffield Hallam University: In Broad Daylight:</u>
<u>Uyghur Forced Labour and Global Solar Supply Chains</u>

The Coalition to End Forced Labour in the Uyghur Region

"Like we were enemies in a war" China's Mass Internment, Torture and Persecution of Muslims in Xinjiang – Amnesty International, 2021