



Helena Kennedy Centre for **University** International Justice





#### Introduction

Solar energy is an essential part of the UK's plan to reach net zero by 2030. However, because polysilicon can be blended at the ingoting and wafering stage, and upwards of 95% of the world's ingots and wafers are made in China, experts indicate that as much as 97% of solar panels could contain materials made by persecuted Uyghur workers who are trapped in forced labour schemes. As a result, UK public bodies are inadvertently complicit in procuring solar equipment from companies committing human rights violations on an industrial scale. To secure a genuine just transition to renewable energy, local governments must also put workers' rights at the centre of their procurement policy.

UNISON has worked with Stop Uyghur Genocide and the Helena Kennedy Centre for International Justice at Sheffield Hallam University (the research team that authored the leading report on Uyghur forced labour in the solar industry) to provide a guide on Uyghur forced labour and solar supply chains. It is designed to help local government authorities (and other public bodies) make better purchasing decisions and streamline their solar supplier vetting process.

#### Sustainable procurement and climate change

Green movements and sustainability experts have traditionally advocated for sustainable procurement that focuses on the climate impacts of purchasing, but they have often failed to adequately consider the human cost of these decisions. From electric cars to solar panels, the production of green alternatives often exploits labour, land and communities in the Global South. Public bodies must ensure that their responses to the climate emergency do everything possible to avoid the exploitation of workers.

#### No environmental justice without

#### workers justice!

This is not a case of climate versus rights. On the path to environmental justice, multinational corporations continue to displace indigenous communities and pollute natural resources in the Global South. Stopping this tide of destruction requires the international labour movement to ensure a transition to renewable which not only includes a workforce with the right to self-determination but also land ownership and cultural freedom.

#### **Our Co-authors**

Stop Uyghur Genocide (SUG) is a cross-community human rights organisation campaigning against the genocide of Uyghur people and other minority Turkic groups in the region. Led by leading Uyghur activist Rahima Mahmut, the campaign builds public awareness around the Chinese government's atrocities and tackles political and economic complicity in the genocide.

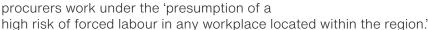
The Helena Kennedy Centre for International Justice at Sheffield Hallam University is a leading centre for social justice and human rights. Their research on forced labour in the solar industry shed crucial light on the influx of Uyghur forced-labourtainted products into



## Uyghur forced labour in global supply chains

The Uyghurs are a majority-Muslim people native to the Uyghur Region (so-called "Xinjiang Uyghur Autonomous Region"). Since 2016, the Chinese government has held over **two million Uyghurs** in concentration camps where they are subject to routine torture, systematic rape, forced sterilisation and forced labour. Multiple credible sources have now determined that the People's Republic of China's (PRC) persecution of Uyghurs and other Turkic groups constitutes genocide and crimes against humanity.

State-facilitated forced labour programmes are so ingrained in the region that the Ethical Trading Initiative recommends that procurers work under the 'presumption of a





#### This labour takes 3 primary forms

- Internment Camp Labour: Whilst held in arbitrary detention, Uyghurs are often required to perform manual labour, either in factories with on-site facilities or in nearby factories.
- 2 State-Sponsored Labour Transfers: Millions of Uyghurs have also been placed in the PRC's compulsory "surplus labour" or "labour transfer" programmes, forcing them into a modern slavery network with the threat of detention ever present if they refuse to participate or air a grievance. Workers in these programs are not allowed to quit their jobs.
- 3 State Conscription of Labourers: For decades, the Chinese government has conscripted Uyghurs and other marginalised groups to pick cotton and other agricultural products.

# 5 of the top industries operating in the Uyghur region Polysilicon (key solar ingredient): Approximately 45% of the world's supply. Cotton: 80% of China's cotton exports, amounting to approx. 20% of the world's cotton. Tomatoes: more than 70% of China's exports are made in the region. PPE. Electronics.

## Solar forced labour in public sector supply chains

95% of the world's solar panels rely on the primary material 'polysilicon'. Over 45% of the global supply of this component is manufactured in the Uyghur region. The Helena Kennedy Centre for International Justice found that all polysilicon manufacturers in the Uyghur region have participated in forced labour transfer programmes and/or are supplied by raw materials manufacturers that have.

Multiple UK public sector bodies have been found to procure solar materials from companies sourcing polysilicon from the region, including the Ministry of Defence. As the UK's solar capacity sets to double by 2025, concerns are mounting that councils and other public service bodies will get locked into long-term contracts with unethical suppliers.

**Finding alternative suppliers is both a humanitarian and an environmental priority.** China is the planet's biggest polluter, and the Uyghur region is the government's national hub for oil, gas and coal. Not only is forced labour rife but lax national environmental standards allow companies to drill into the Uyghur people's natural resources and fuel their factories with cheap coal. **Consequently, solar panels made in the region have higher carbon footprints than those manufactured elsewhere in the world.** 

#### **Purchasing power of councils**

From 2020-21, the UK spent £385 billion on public sector procurement. This is almost one fifth of Britain's Gross Domestic Product (GDP). When leveraged strategically, this mammoth purchasing power can progress social and environmental standards and help build a more sustainable world. In the case of solar, the public purse has the power to influence manufacturers to expand out of the region and to find alternative workforces to produce this vital equipment.

#### The solar market – are there alternatives?

The Chinese state has rapidly grown its renewable energy infrastructure over the past 15 years. From struggling to match domestic demand for solar in 2005, **the PRC now manufactures 75% of the world's polysilicon.** This extraordinary market share is only made possible by abusive 'surplus' labour programmes and unregulated use of cheap carbon-emitting coal.

With collective action we can influence companies to stop sourcing forced labour-made goods.

Despite this monopoly, there are alternatives. One option is to buy panels not made of polysilicon. Another option is to focus procurement on companies that have shifted their supply chains out of the Uyghur Region. While the *In Broad Daylight* report identified multiple suppliers operating outside of the region, there are no definitive lists of such companies because many have remained quiet on their procurement strategies since the discovery of forced labour in their supply chains.

#### What can I do?

#### Knowledge is power

Learn more about the Uyghur genocide

Follow **Stop Uyghur Genocide's** campaign on social media, get informed on the genocide or, better yet, ask a member of the Uyghur community to speak to your branch about the atrocities being committed in the region.

#### Join a Campaign

- Corporate Justice Coalition campaigns for a new Business, Human Rights and Environment Act to hold economic actors to account if people or the environment are harmed by their activities.
- End Uyghur Forced Labour Coalition has issued a call to action to corporations to stop sourcing from the Uyghur Region.



#### **Push for change**

Pass a Motion

Stop Uyghur Genocide is campaigning for local government to prevent the procurement of solar materials from the high-risk Uyghur region. To table such a motion with your local branch please see the model motion.

#### Improve your employer's standards

- Ask your employer to develop an ethical procurement policy: The next section will outline how a local government ethical procurement policy can consolidate and improve council purchasing decisions.
- Help your employer to know the questions to ask: The template letter in this guidance is designed to confront the unique challenges of PRC due diligence and lists questions to vet solar manufacturers.

## **Developing an Ethical Procurement Policy**

## Why should councils have an ethical procurement policy on solar?

The United Nations Sustainable Development Goals, of which the UK government is a signatory, commits national and local governments around the world to targets to procure sustainably by 2030. Despite this aim, chronic under funding has made this complex task extremely difficult. Knowing what to do and how to do it requires levels of expertise outside council budgets. But this should not prevent councils from trying. And the first step is to develop a policy.

#### What do we mean by procurement?

Procurement involves the buying of services and products. Whilst UNISON prioritises the contracting of privatised or outsourced services, this guide focuses on the purchasing of products. This document primarily addresses the procurement of solar materials, but it could also be adapted to apply to other products such as PPE or cotton garments.

## Regulating responsible public procurement

The primary aims of public procurement are efficiency and value for money, non-discrimination and open competition. The secondary aims include the promotion of other policies such as 'social value' which enables economic, social and environmental considerations to be taken into consideration in contracting. The protection of tenderers and suppliers overrides workers' (and environmental) aims, whereas international human rights laws agreed at the United Nations (UN) International Labour Organisation and the universally accepted UN Guiding Principles on Business and Human Rights (UNGPs) aim to protect human dignity. The UNGPs determine that the state has the duty to respect, protect and promote human rights.

This mismatch means current laws on public procurement are not adequate to combat the influx of forced labour in global supply chains. And it is unlikely that the Government's proposed post-Brexit 2022/3 Public Procurement Act will adequately address these major gaps. Further, the UK Government's 2015 Modern Slavery Act's supply chain reporting requirements have proven wholly inadequate and their promises

to strengthen the Act won't go far enough.

Therefore, UNISON is working to change the landscape of ethical procurement, including urgently calling for a new Business, Human Rights and Environment Act (human rights due diligence). This is based on the 'failure to prevent' provisions in the 2010 UK Bribery Act, as already recommended by Parliament's Joint Committee on Human Rights in 2017.

Therefore, if British economic actors failed to prevent abuse to people and the planet they would be held financially and civilly liable, with the courts being enabled to hear cases where abuse linked those actors occurred in another country.

## Extending our values through supply chains leads to change!

UNISON is committed to the principles of equality, solidarity and justice everywhere.

These values can be embedded into procurement practice by ensuring that supply chains are not tainted with egregious human rights violations and genocidal crimes. By prioritising socially and environmentally sustainable procurement, local governments can create ripple effects across the solar industry.

## Four steps to create ethical procurement policies



**Learn** what your council's procurement policies are and if there is an already existing responsible procurement policy. If a responsible procurement policy doesn't exist, ask your council to develop and adopt one. If it exists already, ask your council to amend it to add human rights and Uyghur forced labour issues using the template below. You could ask councillors to propose a motion to the full council meeting or persuade the lead member for procurement to take the initiative forwards. You can also use structures like Overview and Scrutiny Committee to raise issues with council policy, or a group of members could make a deputation to a council meeting to raise awareness among councillors.



**Ask** your council to consult on the policy with relevant stakeholders – including the staff who will be responsible for implementing it. It is important that everyone who uses the policy understands it and feels it is possible. Ask for input on whether there are any aspects that need outlining more clearly, or if there are any training needs required for officers tasked with its implementation.



**Vote:** The council's elected structures will likely need to vote on the adoption of a new responsible procurement policy. Prepare briefings for elected councillors on the importance of tackling the problem of forced labour in the Uyghur region. Council meetings are open to the public, so members of the branch could also attend the meeting or hold a demonstration or pre-event briefing before the council meeting takes place.



**Share** your policy with other UNISON local government branches and encourage your employer to do the same with their peers. The more authorities implementing the policy the more leverage exists to drive change throughout the supply chains. Share any issues with implementation with staff at UNISON so that appropriate further resources and support can be developed.



#### **Practical tools and resources:**

The tools practitioners traditionally use to monitor supply chains are not sufficient to tackle the scale of the problem in the Uyghur Region. Not only has the Chinese government restricted all access to the region, recent audits of its state-sponsored companies have found significant fraudulent data input into their supply chain monitoring systems. This makes mechanisms such as self-answered questionnaires and supplier attestations almost entirely ineffective.

Despite these challenges, councils who seek to engage in ethical procurement can and should take more steps to prevent Uyghur forced labour from entering their solar supply chains. And for those already locked into contracts, it is possible to take steps towards improvement. These tools are designed to assist UNISON branches and representatives in discussion and negotiations with their employers and to provide direct guidance for UNISON members who work in procurement.

#### 1. Pre-market

- At pre-market stage the concern of the council about modern slavery, forced labour and other human rights abuses, particularly in the Uyghur Region, should be raised during all market engagement opportunities.
- Even if every supplier raises how difficult or even impossible it is not to
  procure solar panels made in whole or in part in the Uyghur Region it is
  important to maintain regular dialogue on the issue. For example, follow
  up questions on timeframes for relocation will pressure suppliers to take
  concrete action.

#### 2. Tender stage

- Tender advertisements should clearly state the council's intention to prohibit purchasing products tainted with Uyghur forced labour. Social value points should be given to suppliers genuinely addressing the challenge within their application forms.
- Ask a probing question during the shortlisting tender interviews and prepare follow up questions to test commitment to time-lined improvement as well as willingness to sign contract clauses setting out the commitment with consequences for failure to comply or take every reasonable step to comply.

#### 3. Insert human and workers' rights contract clauses into your contract

Electronics Watch's 'Contract Conditions for Supply Contracts' are
proactively used in part or full by its public sector affiliates in the UK
and beyond. These contract conditions show what is possible, including
sanctions and exit clauses. This document provides an excellent guide for
procurers.

#### 4. Trace your supply chains

- Supply chain transparency is vital to ensure there is no association with forced labour. This includes tracing from raw material extraction to the manufacture of the panels.
- All suppliers should be able to name their own suppliers: including their English and Chinese names, their Chinese social security number and the full addresses of the factory(s).
- If at any point you find a company is sourcing from Xinjiang, the council should either stage an intervention or explore how to exit the relationship.
- If a supplier refuses to cooperate, the council should consider terminating the relationship within a year.

#### 5. Join a purchasing consortium

 Purchasing consortiums allow councils to collaborate in supply chain research, increasing value for money, ensuring coherence and increasing leverage. This is effective in the solar sector, due to its limited number of suppliers.

#### 6. Request audits

- We understand that these measures may not be possible in the short term for councils hamstrung by staff and resource shortages. In this case, we recommend that procurers dialogue with their suppliers to demand they undergo forensic audits.
- In the long term, as the market for alternatives grows, councils should refuse to accept companies with links to the Uyghur region, even if audits are offered.



#### Model motion on solar procurement

- This model motion is for you to table at your branch.
- It commits your branch to support Stop Uyghur Genocide's campaign to put Uyghur workers' rights at the heart of solar procurement. Remember to **adapt it to your local circumstances first** to ensure that all you say is correct and achievable.

#### This branch notes:

- 1. That the public purse is the biggest single buyer of goods and services in the UK and therefore has a lot of purchasing power and leverage.
- 2. Approximately 45% of the world's polysilicon is made in the Uyghur Region under conditions of forced labour. Seeing as this polysilicoin can be blended at the ingoting and wafering stage, and upwards of 95% of the world's ingots and wafers are made in China, therefore experts indicate that as much as 97% of solar panels could contain materials made by millions of Uyghur forced labourers.
- 3. That multiple UK public sector bodies have procured solar panels from companies with forced labour in their supply chain, including local councils and Scottish Waters.
- 4. That the UK's plans to double its solar capacity by 2030 and expand the council led 'Solar Together' scheme put public bodies at greater risk of long-term complicity in modern slavery practices.
- 5. That solar panels produced in the Uyghur region are also contributing to climate change due to the use of fossil fuels and lax environmental standards across the region. On the path to securing a 'just transition' to renewable energy, decision-makers must consider the environmental and human impacts of clean energy production on frontline communities in the Global South.
- 6. That current UK laws relating to supply chain due diligence, including the Modern Slavery Act of 2015, have proved unable to curtail the infiltration of forced-labour-made solar panels into the supply chain.
- 7. That public procurers lack the knowledge and resources to stop contributing to the problem.

#### This branch believes:

- 1. That [employers name] should not purchase solar panels for its branch that are made from materials sourced from the Uyghur region.
- 2. That even if complete eradication of tainted solar panels is not achievable in the near term, it is possible to make improvements in procurement and contract management to prevent the exploitation of workers being associated with public sector procurement.
- 3. That, within a year of signing this motion, [employers name] should have binding measures in place that work towards a wholesale ban of forced-labour-made panels.

#### This branch resolves to campaign for [employer's name] to:

- 1. Procure more responsibly by adopting and adapting the UNISON Responsible Procurement policy template to suit local circumstances.
- 2. Engage at appropriate levels such as [insert which senior staff, procurement/contract teams/local politicians] to gain more information and agree a plan of improvement including dialogue with suppliers to review their entire supply chains from quartz to panels.
- 3. Affiliate to the Stop Uyghur Genocide campaign who can provide advice, and work with them to help build further awareness and momentum.
- 4. Raise the issue of solar procurement amongst Parliamentarians.

#### Model council motion on solar procurement

- This model motion is for you to request a local councillor your branch is close to, or the Cabinet lead on procurement tables.
- It commits the council to put Uyghur workers' rights at the heart of solar procurement. The councillor will want to adapt it to local circumstances first and you may request that the branch is consulted on any amendments.

#### This council notes:

- 1. That the public purse is the biggest single buyer of goods and services in the UK and therefore has a lot of purchasing power and leverage.
- 2. Approximately 45% of the world's polysilicon is made in the Uyghur Region under conditions of forced labour. Seeing as this polysilicoin can be blended at the ingoting and wafering stage, and upwards of 95% of the world's ingots and wafers are made in China, therefore experts indicate that as much as 97% of solar panels could contain materials made by millions of Uyghur forced labourers.
- 3. That the UK's plans to double its solar capacity by 2030 and expand the council led 'Solar Together' scheme put public bodies at greater risk of long-term complicity in modern slavery practices.
- 4. That solar power is an important strand of [council name]'s work to tackle the climate emergency, but that without putting in place the appropriate safeguards there is a significant risk of purchasing solar panels from suppliers that are very likely to have forced labour in their supply chain.
- 5. That solar panels produced in the Uyghur region are also contributing to climate change due to the use of fossil fuels and lax environmental standards across the region. On the path to securing a 'just transition' to renewable energy, decision-makers must consider the environmental and human impacts of clean energy production on frontline communities in the Global South. renewable energy requires solutions which integrate climate and environmental justice. Finding alternative solar suppliers is a humanitarian priority as well as an environmental one.
- 6. That current UK laws relating to supply chain due diligence, including the Modern Slavery Act of 2015, have proved unable to curtail the infiltration of forced labour made solar panels into the supply chain, let alone start, to turn the tide of exploitation.

#### This council believes:

- 1. That [council name] should not purchase solar panels that are made from polysilicon or other materials sourced from the Uyghur region.
- 2. That, even if complete eradication of tainted solar panels is not achievable in the near term, it is possible to make improvements in procurement and contract management to reduce the association of [council name) with forced Uyghur labour.
- 3. That, within a year of signing this motion, [council name] should have sufficient measures in place to ensure their responsible procurement strategy tackles the problem of forced-labour-made panels.

#### This council resolves to campaign for [employer's name] to:

- 1. Amend the council's existing procurement policy, using UNISON's template, to include a responsible Uyghur forced labour policy.
- 2. Work with Stop Uyghur Genocide to agree a plan of improvement including:
  - 1. Start dialogue with existing suppliers to review their entire supply chains from quartz to panels, then discuss and agree an action plan.
  - 2. Raise the issue to test suppliers' attitudes to finding alternative producers during pre-market engagement, when advertising for tendering and during tender interviews.
  - 3. At contract stage, insert Uyghur forced labour specific contract clauses adapted from the existing Electronics Watch clauses including clauses for exiting for non-compliance
  - 4. Consistently manage the contract by following up the action plan progress and if necessary, invoking the contract clauses.
- 3. Raise the issue of solar procurement amongst local Parliamentarians.

## Policy template to avoid procuring solar panels made with Uyghur forced labour

This policy is designed to be incorporated into existing council policy or as a foundation for the development of an ethical procurement policy which centres workers' rights. It includes some general, as well as Uyghur-specific, policies.

[Council] is dedicated to using our purchasing power responsibly, which begins with doing everything in our power to ensure our supply chains are free of forced labour and modern slavery.

#### Human rights in the supply chain

- 1. [Council] will work towards developing and implementing human rights due diligence processes for all procurement.
- 2. At a minimum, we require all suppliers that we work with to ensure that the following standards for workers' rights are upheld along the supply chain of the products they sell:
  - · Employment is freely chosen.
  - Freedom of association and the right to collective bargaining are respected.
  - · Child labour is not used.
  - Working hours are not excessive.
  - No discrimination is practiced.
  - No harsh or inhumane treatment is allowed.
- 3. [Council] will encourage multinational corporations to enter into Global Framework Agreements with global trade union federations.
- 4. [Council] will collaborate with other groups who use the same supplier/brand and use our collective power to strengthen calls for improvements.

#### **Supplier vetting**

- 5. Knowing where products are made, who made them, and under what conditions they work, is a priority in all council procurement. Given the well-documented workers' rights violations within the solar industry, we require procurers to meet specific criteria before and during contracting.
- 6. [Council] hereby requires procurers to trace the supply chain of [solar] suppliers, to ensure that at no stage of the supply chain is tainted with forced labour.
- 7. To ensure comprehensive human rights due diligence, [council] commits to undertake pre-tender, tender and contract management dialogue with potential and actual suppliers. Procurement officials should vet each supplier through forensic questioning, as suggested throughout the guide.
- 8. If procurers are found to have been supplied from companies operating in the Uyghur Region (Xinjiang) we commit to:
  - a. If possible, end the relationship with the company and find alternative suppliers [best option]
  - b. Stage an intervention with the supplier to ensure a time-bound plan to seek suppliers who do not have Uyghur forced labour in their supply chain
  - c. Request a forensic audit that includes a well-documented supply chain map

#### Prioritising planet and people

- 9. [Council] is committed to ensuring that our response to the climate emergency doesn't rely on polluting industries and cheap labour in low-income countries that are themselves on the front line of climate change impacts.
- 10. [Council] compares all quotes for products based on their environmental and social impact, as well as price. Given that solar panels made in the Uyghur Region (Xinjiang) have a higher carbon footprint than those manufactured elsewhere in the world, we will prioritise sourcing outside the Uyghur region.

#### Pushing suppliers to expand outside the Uyghur region

11. [Council] will encourage all suppliers to expand beyond the Uyghur region. We are aware that there may be costs associated with relocating supply chains outside of China but believe that the environmental and humanitarian damage caused by these panels justifies the investment.

**Policy Reviewed by** 

[Staff name]

[Date]

Agreed by the trustees/management committee

[Date]

#### Letter to upstream suppliers

#### Dear [supplier name],

[Council] aims to procure public goods and services responsibly, as set out by the United Nations Guiding Principles on Business and Human Rights. Therefore, we act to ensure that human rights are being upheld by the companies from which we source.

We are committed to climate change prevention and believe solar energy to be a crucial part of a net zero strategy. However, Just Transition to net zero, as defined by the International Labour Organisation and supported by the international community, necessitates a future where all jobs are green and decent, poverty is eradicated, and communities are thriving and resilient. Therefore, given the credible evidence of pervasive forced labour in the production of solar panels, we are compelled to conduct further due diligence into your company's purchasing practices and contract management.

With these objectives in mind, we adhere to a responsible procurement policy which requires us to ask solar suppliers how their policy ensures human rights violations are avoided throughout their supply chains.

#### In general, we would like to know:

- What action do you take during the pre-contract phase to assess the labour rights risks of all your suppliers throughout their supply chains?
- How do you use contract clauses with your suppliers to improve workers' rights?
- Where violations of the code of conduct are found, is there access to effective resolution, remediation, and grievance mechanisms for workers? How? Please give examples.

#### Regarding solar production in Xinjiang:

- Has your company or any of your suppliers participated in any state-sponsored poverty alleviation campaigns in the Uyghur Region?
- Has your company or any of your suppliers benefited from Xinjiang Aid or City Pairing Programmes? If yes, which ones?
- Hass your company or any of your suppliers accepted any labourers from the Xinjiang region?
- Has your company or any of your suppliers participated in any land corporatisation schemes in the Uyghur Region?
- Does your company or any of your suppliers engage with the Xinjiang Production and Construction Corps?
- Please also answer if any of your suppliers are involved in these practices?
- Is your company directly paying its employees or are your employees paid through a state programme?
- Are ethnic minority workers (especially those from Xinjiang) provided with equitable housing? Are they monitored by special guards or required to participate in mandatory ideological training?
- Are employment contracts signed between the direct employees and the company or are they employed through a government contract?
- Do Uyghur workers have freedom of movement during their leisure time?
- Do Uyghurs have the same holidays and are they able to return home for those holidays?
- If your company has a factory in Xinjiang, have you considered relocating from Xinjiang? If so, what are your plans?

We understand that these are a detailed set of questions that will take time and commitment for you to answer but we will consider them in full, including any gaps in the information you supply. We are happy to answer your questions and thank you in advance for your effort.

## who where where

This kind of forensic questioning is best equipped to expose which suppliers are cooperating in the Chinese government's statesponsored 'surplus' labour programmes. As a rule, if suppliers respond that they are involved in or benefit from the state labour transfers, Xinjiang City Pairing, or land co-corporatisation programmes, procurers can presume they are engaging in exploitative coercive programs that do not align with **UNISON** values or conform to the expectations of suppliers set out in procurement policies. Similarly, companies which pay their workers through government schemes are likely to be directly linked to forced labour practices.

when why how

# ENERGY Sourcing solar energy without Uyghur forced labour

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Helena Kennedy Hallam Centre for International Justice



