A Letter regarding Xinjiang from Adrian Zenz and Scott Nova

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Dear Audit Firm or Certification Body Executive:

In view of the unfolding human rights catastrophe in the Xinjiang Uyghur Autonomous Region (XUAR), we write to urge your organization—as a matter of professional ethics, moral responsibility, and legal compliance—to refrain from conducting labor rights audits in the region.

The Chinese government is perpetrating grievous human rights abuses in the XUAR, including the extra-judicial detention of more than a million Uyghurs and other members of ethnic and religious minority groups; forced labor on a broad scale, both inside and outside the internment camps; and a sweeping, tech-enabled surveillance apparatus, unprecedented in its ubiquity. These atrocities—which constitute <u>crimes against humanity</u>, according to scholars and <u>human rights practitioners</u>—have fostered a climate of terror. The lives of those not in detention are ruled by fear that one wrong step will result in internment, forced separation from their families, and torture.

In these circumstances, worker interviews, which are essential to the methodology of any credible auditor or certification body, cannot generate reliable information about labor conditions. The Chinese government's position is that there is no forced labor in the XUAR. Anyone who contradicts this official narrative, especially any member of a minority group, faces the virtual certainty of internment, or worse. With mass surveillance belying any promise of confidentiality, self-preservation requires workers to tell auditors their labor is voluntary, regardless of the reality. No responsible auditor can rely on such testimony to draw conclusions about a workplace.

There are additional reasons why labor rights due diligence in the XUAR is impossible. It is government policy to provide minority labor for low-skilled, labor-intensive manufacturing, and the government's recruitment of workers is so thoroughly intertwined with its coercion of the minority population that there is no way to distinguish legitimate labor development programs from forced labor. Chinese companies benefit from access to the labor pool the government mobilizes, and even those who do not wish to employ involuntary labor are unlikely to be able to refuse it. Nor are employers any freer than workers to tell the truth about its presence. Some may not even be aware who among their workforce is toiling under government compulsion. The government is also using elaborate means of deception to hide forced labor from foreign visitors. The *Toronto Globe & Mail* documented a scheme where Uyghur women are coerced to walk the streets feigning normalcy and reciting memorized responses to visitors' queries—including telling them that the internment camps are voluntary job training centers. One woman now living in exile likened the version of events seen by foreigners to "a movie".

Despite the certainty that auditors will be inundated with coerced testimony and other false information, some audit firms and certification bodies have continued to carry out audits at

factories and farms in the XUAR. The results are revealing: Hetian Taida Apparel Co. operated a factory inside an internment camp in Hotan Prefecture and a second factory just outside the camp, which employed released detainees. Despite these huge red flags, Worldwide Responsible Accredited Production (WRAP) awarded the latter factory a "gold" certification. SGS Audit Services, acting under the auspices of amfori, also deemed the factory free of forced labor. The United States government subsequently banned products from both Hetian Taida factories under the federal law prohibiting the importation of goods made with forced labor. The Wall Street *Journal*, along with other media and independent researchers, found evidence of forced labor, and complicity in coercive "reeducation", at Huafu Fashion's spinning mill in Aksu (one worker told a journalist of her gratitude for Huafu's tutelage, saying "... I used to have extremist thoughts, but now they're all gone."). When major brands started distancing themselves from Huafu, the company commissioned an audit from Bureau Veritas. The audit "did not identify any instances of forced labour." A major apparel brand, linked by journalists to the Huafu facility, also claims to have conducted an inspection that found no forced labor and no government role in supplying workers—yet Huafu's own training manager told Chinese media the government is sending workers to the company. This is further confirmed by a report from the Aksu government propaganda bureau, indicating that the prefecture trains Uyghur workers before sending them to work for Huafu. It is important to note that allocating and sending workers to labor in private companies after subjecting them to mandatory training is a widespread government policy that extends beyond the practices of Huafu.

The firms carrying out these audits cannot credibly defend their methods. The Worker Rights Consortium (WRC) asked WRAP what measures it took at Hetian Taida, given the repressive environment in the region, to ensure workers could speak freely. WRAP replied that it did not take any special measures, because, since the factory it certified was not inside a detention facility, any concerns about a "repressive environment" were "misplaced". During a conference call between civil society groups and Better Cotton Initiative (BCI) on January 23, 2020, the WRC asked BCI, which has commissioned audits at cotton farms in the XUAR, to describe what its auditors are doing to enable Uyghur workers to speak to them without fear. BCI said it was not aware of any specific methods being employed. Auditors and certification bodies that continue to perform audits in the XUAR are doing so not by virtue of having discovered innovative means to engage workers safely but by virtue of their apparent methodological indifference to the environment in which they are operating.

These auditors have enabled companies implicated in forced labor to continue finding customers. Costco, which sourced hundreds of thousands of baby pajamas from Hetian Taida even after the company's abuses were exposed, says it relied on a factory audit when it placed the order. BCI, with numerous leading apparel brands among its members, used Bureau Veritas's audit of Huafu to justify its continued partnership with the company's operations in the XUAR. A major apparel brand recently cited another Bureau Veritas audit, this time of a factory in Yili where refugees say they were subjected to forced labor, in defense of its decision to source there. When auditors, despite having no means to conduct candid worker interviews, claim to have verified the absence of forced labor at a company, the result may be the continuation of abuses that otherwise would have been halted.

If such unfounded labor rights verifications contribute to products being purchased for export to the United States, they may lead to importers <u>breaking the law</u>. It is also reasonable to assume that, <u>under US law</u>, auditing firms and their executives may, themselves, have criminal legal liability if they issue audit results they should know are inaccurate and this facilitates commerce in goods made with forced labor.

The crisis in the XUAR is unprecedented in its gravity and its sweeping implications for global supply chains. These extraordinary circumstances require an extraordinary response from all affected industries, including workplace auditing and certification. The customary approach of many auditors and certifiers, which treats the human rights environment where a workplace is located as largely separable from the audit process, is not applicable in the context of the XUAR. The government's mass internment, violent repression, and omnipresent surveillance are not external to the region's factories and farms; they are the context in which those workplaces operate and in which any labor audit is carried out. To its credit, BCI, in a March 5, 2020 communication to human rights advocates, stated that it is now suspending its auditing and licensing operations in Xinjiang.

In view of the urgency of the human rights crisis in the XUAR; given that no workplace audit can be methodologically sound under present circumstances; and recognizing that any unfounded assurance of labor compliance abets the continuation of the Chinese government's abuses; we urge your organization to stop conducting audits and/or certifying factories in the XUAR and to adopt a corporate policy to this effect.

We await your reply. We will be informing apparel industry stakeholders as to which audit firms are acting responsibly and are committed to eschewing audits in the XUAR. We recognize that some firms may already have ceased auditing in the XUAR; if that is already your firm's position, please advise us.

Sincerely,

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