From the solar manufacturing industry: We Demand a Robust Forced Labour Regulation

Dear European Legislators,

Ahead of the interinstitutional negotiations on the Regulation on prohibiting products made with forced labour (COM 2022 453) we — representatives of the European solar manufacturing industry — are asking you to adopt a robust regulation as soon as possible that leaves no room for forced labour. This is essential for upholding the values of human rights and preventing the closure of European PV manufacturing companies.

Since 2021, the solar industry has been in the spotlight as reports alleged that some of the world's largest solar manufacturers are complicit in the Chinese's government's persecution programs of Uyghur minorities in Xinjiang, China. While many associate forced labour primarily with cotton and textiles from Xinjiang, the reality is that China is the biggest Silicon metal producer in the world with the Xinjiang region representing 40% of their total Silicon metal production capacities. Also, one-third of the world's polysilicon production is Chinese, being Silicon metal the raw material for the production of Polysilicon. Polysilicon which is used in Chinese-made solar panels, including those exported to Europe. It is for this reason that the 2023 Global Slavery Index stated that solar panels represent the fourth highest at-risk good for forced labour that is imported by the G20.

Reports by human rights and forced labour experts in the academia have presented strong evidence tying many of the world's largest solar manufacturers — all headquartered in China — with the use of re-education camps and labour transfer programs operated by the Xinjiang provincial government. As a matter of fact, a report by Sheffield Hallam University published earlier this year notes that solar supply chains have only become increasingly opaque since the original allegations.

The role of forced labour in the context of unsustainably low prices of Chinese-made solar PV modules and inverters should not be overlooked. Without EU regulations to scrutinize imports of goods produced with forced labour in any part of the value chain, this issue also poses a threat to European PV manufacturers adhering to higher social and environmental standards. Consequently, it undermines Europe's endeavours to ensure that its energy transition is fair, resilience and in accordance with the key European values and principles.

Forced labour products should have no place on the European market. Consequently, we ask you to adopt the forced labour regulation by including these key priorities:

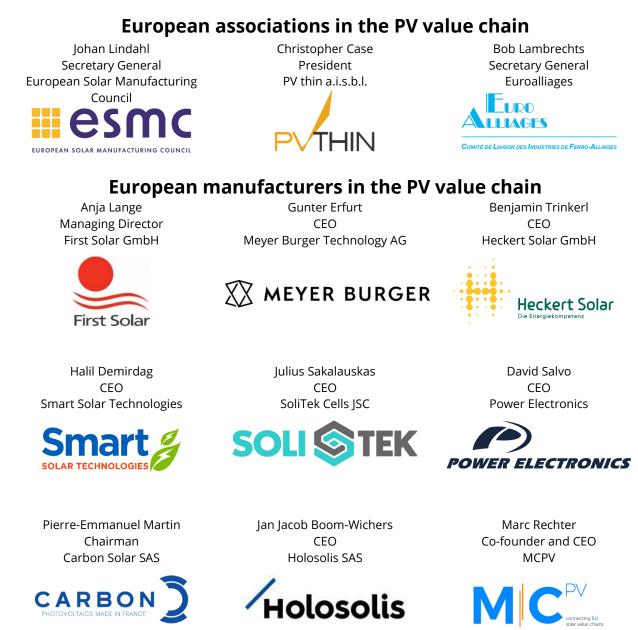
- Shift the burden of proof to companies in cases of alleged forced labour. For products coming from high-risk areas and especially in the cases of state-sponsored forced labour, economic operators should bear the burden of establishing that forced labour has not been used at any stage of extraction, harvest, production, or manufacture of a product, including working or processing related to the product.
- Support the proposal from the European Parliament on giving the European Commission similar mandate as "competent authorities". This would include the possibility to the European Commission to initiate investigations about suspected forced labour and ultimately prohibit products made with forced labour. Granting such authority to the European Commission would make the regulation more effective in preventing European market from forced labour made products.
- **An expedited implementation is essential**. Each month without EU-wide import legislation against forced labour produced goods prolongs the suffering of workers world-wide and poses a threat to European businesses. Therefore, we strongly urge you to aim for a shorter implementation process

than the 24 months proposed by the European Commission and the 18 months proposed by the European Parliament, respectively.

- **Avoid recognizing unproven industry schemes**. While credible multi-stakeholder industry schemes exist and play an important role in the due diligence process, unproven industry schemes that do not engage with workers should not be deemed sufficient to ward off an investigation.
- Recognize that disengagement is the only option in cases of state-sponsored forced labour. Companies have a responsibility to bring forced labour to an end and should use disengagement as a last resort, except in cases of state-sponsored forced labour where companies do not have leverage and lack the ability to conduct human rights due diligence. In such cases, disengagement is the only option. Supply chain bifurcation does not eradicate forced labour and allows companies to continue sourcing from regions with state-sponsored forced labour.

While the solar industry is at the forefront of the fight against climate change, this does not offset its social and human rights obligations. We state unequivocally that Europe's clean energy transition must not be built on the backs of the Uyghur people and on the basis of crimes against humanity. We are kindly requesting your urgent, ambitious, and adequate response to this through a robust European forced labour regulation.

Kind regards,





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