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**EUROPEAN SOLAR PV INDUSTRY ALLIANCE
RECOMMENDATIONS PAPER SERIES IV**

**Stance against forced labour & a Due
Diligence Guide for Solar PV Supply Chains**

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Stance against forced labour

Background

At present, approximately 28 million people¹ are subjected to forced labour and we regret to admit that the PV industry is not exempt from this problem. PV modules are currently considered to be one of the product categories with a risk of being exposed to forced labour along some steps of its supply chain. As industry representatives we strongly condemn all forms of forced labour and we work proactively at all levels to eradicate forced labour from our supply chains. Consequently, we welcome the initiative from the European Union to ban the sale of products that are made with forced labour.

Forced labour remains a pervasive issue worldwide, affecting numerous sectors and geographical regions. The International Labour Organization (ILO) database reveals instances of forced labour across the globe, underscoring the global nature of this challenge. It's essential to recognize that forced labour is not confined to a single location or one single industry. Examples abound globally, highlighting the urgency of addressing this issue. Additionally, there are instances of state-sponsored forced labour, further complicating efforts to eradicate this exploitative practice. Guaranteeing clean supply chains in solar PV manufacturing becomes a critical imperative to address the ethical concerns associated with forced labour.

In various sectors, global economic activities are significantly influenced by China, with a notable role played by its Xinjiang province in industry processes - mineral extraction in a quarry and metal processing. The country is a major - producer and global supplier to both metallurgical silicon and polysilicon production in the solar supply chain. Nevertheless, concerns have been raised regarding potential forced labour impacts on these supply chains, underscoring the need for ensuring clean and ethical practices in solar PV manufacturing. According to various sources², at least one million citizens have been subjected to state-imposed forced labour initiatives such as “re-educating camps” and labour transfers within Xinjiang and across China, highlighting the persistent challenge.

ESIA advocates for disengaging from regions with significant risk of state-sponsored forced labour, reducing dependency on non-European countries and revitalizing European PV production to

¹ Global Estimates of Modern Slavery. Forced Labour and Forced Marriage. ILO, Walk Free Foundation, and IOM UN Migration. 2022

² See annex 1 for all the references.

respect human rights and increase solar panel supply sovereignty and technological leadership. ESIA advocates that the incoming legislation reflects clearly how disengagement should be carried out and that the competent authorities provide legal support if necessary. Support for initiatives like the European Green Deal aligns with ESIA's goals. This alliance aims for 30 GW of European production by 2030 at the same time as crucial, targeted regulatory actions against forced labour remain essential.

European Solar Industry Alliance



A Due Diligence Guide for Solar PV Supply Chains

To eliminate forced labour links in your supply chain, ESIA considers these streamlined recommendations for companies:

- 1. Company-wide Engagement:** Proactively involve all staff, including top management, in the fight against forced labour. Ensure awareness of governance documents and empower employees to report issues.
- 2. Regular Supply Chain Mapping:** Map and report about your supply base regularly, identifying high-risk suppliers. Use appropriate tools, avoiding sourcing from high risk of forced labour zones. Watch for supplier bifurcation as a sign of forced labour dependence.
- 3. Supplier Contracts/Certifications:** Implement a supplier code of conduct, ensuring adherence to practices that prohibit forced labour and abuse, in line with what the main international reference standards define (e.g. UNGPs, OECD Guidelines for Multinational Enterprises, ILO Conventions, International Bill of Human rights etc.).
- 4. Traceability / Avoidance of Regions with State-Sponsored Forced Labour:** Adopting a systemic approach to traceability by implementing a serial code system such as a QR code or Manufacturing Execution System (MES) is crucial to establish traceability in the supply chain, accompanied by a comprehensive digital record. Currently, companies are still implementing and aiming to implement traceability systems in their processes. These systems should offer a detailed level of information to verify that neither the company nor its suppliers (with a gradual implementation) have any exposure to regions associated with state-sponsored forced labour, on a global scale, regardless of whether the products are intended for the EU market. Adherence to the United Nations guiding principles are encouraged to ensure compliance and best practices in traceability. By enhancing traceability measures and promoting responsible behavior among suppliers, we can strengthen supply chain integrity and ethical sourcing practices.
- 5. Regular Social Audits:** In regions without state-sponsored forced labour, conduct supplier on-site audits, focusing on high-risk suppliers, and follow social audit and material segregation protocols. Encourage unionization, ensure labor law adherence, and facilitate reporting mechanisms. The social audits must be based on credible protocols and align with best practices

and law; they must involve interviews with workers. The audits should be conducted by vetted third-party auditors.

- 6. Grievance Mechanisms:** Establish a secure platform for anonymous reporting of unethical practices within your company and supply chains.
- 7. Training for Staff:** Regularly educate staff on identifying and addressing forced labour, aligning with governance documents and the international reference frameworks.
- 8. Zero-tolerance Policy and Intermediate Steps:** Adopt a zero-tolerance policy for forced labor. Utilize leverage to cease abusive practices and terminate relationships if necessary. Disengagement should be carried out when confronting regions with high-risk of state-sponsored forced labor where on-site audits cannot be performed. Avoid bifurcating supply chains but verify that all suppliers refrain from sourcing from regions or entities linked to forced labour. Differentiate between state-sponsored forced labour and non-state-sponsored instances, explaining that the former involves direct government involvement, whereas the latter may stem from individual entities. In cases of non-state-sponsored forced labour, take the appropriate intermediate steps³ before proceeding to disengage.
- 9. Engagement with Stakeholders:** Maintain dialogue with relevant actors, including trade unions and human rights organizations. View criticism as constructive and adhere to minimum safeguards.
- 10. Advocacy and Public Awareness:** Influence policymakers for rigorous legislation, such as EU forced labour ban and the European Sustainability Reporting Standard (ESRS). EU proposals to ban products made with forced labour and use public events to educate about forced labour.

ESIA encourages due diligence as an ongoing, integrated process, contributing to a fairer, guaranteed forced labour-free solar PV industry and enhancing overall company quality.

ESIA advocates for the EU and its member states to implement robust regulation, eliminating any tolerance for forced labour in the solar manufacturing supply chain. We support the initiative from the European Union to prohibit the sale of products made with forced labour. Establishing a forced

³ These steps are outlined by the United Nations Guiding principles. Also, according to the Bureau of International Labor Affairs, remediation actions should always be designed to correct the problem found, provide remedies for those affected, and prevent it from recurring. See full source in Annex 1.

labour-free environment aligns with principles of human rights, ethical manufacturing, and responsible industry practices. While we fully endorse the European Green Deal, it's imperative that the climate transition adheres to Environmental, Social, and Governance sustainability. This ensures not only a carbon-neutral society but also one that is environmentally, socially, and governance-wise responsible.

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"Prohibition of slavery and forced labour:

1. No one shall be held in slavery or servitude.
2. No one shall be required to perform forced or compulsory labour"

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