

December 13, 2024

Contact for inquiries: [holm@esmc.solar](mailto:holm@esmc.solar)

## Stop forced labour in the solar supply chain – actions in the near future

### Key aspects of the Forced Labour Regulation for ESMC:

ESMC expects the Forced Labour Regulation (FLR) to be an important tool to end forced labour in the solar PV supply chain.<sup>1</sup> The regulation's main provision – that products made with forced labour should be prohibited on the European market – sends a strong message that forced labour should have no place in Europe. This is primarily a matter of decency and human rights, but also presents a unique opportunity to reshore solar industry capacity to Europe given the prevalence of forced labour in China (the main source of low-cost solar panels).

The FLR will come into full effect around June 2026, but essential elements such as the database, guidelines/acts, and the Union Network Against Forced Labour Products will be operational within 18 months. This paper outlines ESMC's prioritized actions concerning the Forced Labour Regulation, focusing on these three areas.

### **Database on risk products and risk regions**

The database can be vital in identifying products and regions at risk of forced labour. For the solar PV industry, China – especially the Xinjiang Uyghur Autonomous Region (XUAR) – presents the greatest challenge since a large part of the world's polysilicon is produced there (and probably other components in the solar supply chain) and that forced labour is systematically spread in the region and it's impossible to operate in accordance to United Nations Guiding Principles on Business and Human Rights (e.g. making independent audits is prohibited in the region).<sup>2</sup>

### **ESMC recommendations to the database:**

- That the European Commission develops an exhaustive database listing all risk regions and products associated with forced labour. For accountability and transparency reasons we recommend that the database is built up and administered directly by the European Commission and not outsourced to a third party.
- List the Xinjiang province/XUAR, and potentially other regions in China such as Inner Mongolia, as risk region for state-imposed forced labour.
- Include quartz and silicon – metallurgical-grade silicon and polysilicon – as risk products for forced labour.
- We welcome the legislation's emphasis on international cooperation with "countries with similar legislation". Accordingly, we recommend close cooperation with U.S. authorities, such as the Customs and Border Protection Agency and the U.S. Department of Labor<sup>3</sup>, leveraging findings from those authorities and the UFLPA Entity List<sup>4</sup>.

---

<sup>1</sup> The ESMC's position against forced labour is found here: <https://esmc.solar/wp-content/uploads/2024/03/ESMC-Position-Paper-on-Forced-labour.pdf>

<sup>2</sup> See Global Slavery Index: <https://www.walkfree.org/global-slavery-index/findings/spotlights/examining-state-imposed-forced-labour/>

<sup>3</sup> Note that the new U.S Department of Labor report on products made with child and forced labour also lists downstream products such as ingots, wafers, cells, and modules from China as high risk. See more at p. 20: [https://www.dol.gov/sites/dolgov/files/ilab/child\\_labor\\_reports/tda2023/2024-tvpra-list-of-goods.pdf](https://www.dol.gov/sites/dolgov/files/ilab/child_labor_reports/tda2023/2024-tvpra-list-of-goods.pdf)

<sup>4</sup> <https://www.dhs.gov/uflpa-entity-list>

- The European Commission should conduct an independent investigation on forced labour in the solar PV supply chain, using the two reports from Sheffield Hallam University as a basis.
- The European Commission should make use of all existing databases/register around supply chains and social and environmental sustainability as well as labour concerns (e.g. <https://opensupplyhub.org/> and <https://sourcetrace.com/>).
- Leverage work done on the Battery Passport and the forthcoming Solar PV Passport. For example, list polysilicon, metallurgical-grade silicon, and quartz producers to request each manufacturer to provide data, verified by a third party (e.g., IEC PV module certification), to ensure certification is visible within the PV Passport.
- Develop a list of verified socially and environmentally sustainable polysilicon manufacturers from where European operators can source.

### **Guidelines and Implementing/Delegated Acts**

Around May/June 2025, a series of guidelines will be adopted to clarify the implementation of the Forced Labour Regulation. For ESMC, the priority guidelines are the ones about due diligence, remediation to victims and the guideline about due diligence when forced labour has been imposed by states. Implementing/delegated acts will be adopted along the same lines when necessary.

### **ESMC recommendations to the Guidelines:**

- Ensure clear, accessible guidelines that explain to economic operators, particularly SMEs, how to integrate due diligence into all stages of their supply chains and address forced labour when discovered.
- Economic operators should be advised to avoid corporate ESG-initiatives and prioritize compliance with legislation and to terminate relationships where forced labour risks are present.<sup>5</sup>
- We recommend the Commission to have a dedicated section in the guidelines on the Xinjiang region due to the widespread nature of forced labour in the region.
- Involve solar PV industry stakeholders and other relevant parties in drafting the guidelines and acts.
- Leverage insights from academia, NGOs, European industry representatives, and third countries, particularly the U.S., in developing the guidelines.
- When possible, align guidelines with the goals of NZIA of reshoring manufacturing capacity to Europe.

### **Union Network**

The Forced Labour Regulation stipulates that a Union Network against Forced Labour Products should be established, composed of representatives from the Commission and member states. The purpose of this network is to streamline the implementation of the legislation. According to the regulation, the network is also mandated to cooperate with external stakeholders.

---

<sup>5</sup> See more at [https://esmc.solar/wp-content/uploads/2024/10/Supply-chain-traceabil-standard\\_ESMC\\_input-2024-10-18.pdf](https://esmc.solar/wp-content/uploads/2024/10/Supply-chain-traceabil-standard_ESMC_input-2024-10-18.pdf)

**ESMC recommendations to the Union Network:**

- As representatives of the European solar PV manufacturing industry, we expect to be invited to join the Network.
- We also recommend that the Commission invite NGOs and academic institutions with expertise on forced labour, particularly regarding the Uyghur Region in China.

*Adopted by the ESMC Working Group on Sustainable Solar PV Supply Chains 13<sup>th</sup> December, 2024.*