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Executive Summary

- By the Chinese government's own accounting, the CCP has placed millions of citizens of Xinjiang Uyghur Autonomous Region (XUAR) into "poverty alleviation," "surplus labour," and "labour transfer" programmes. Experts have clearly identified that, as they are practiced in XUAR, these initiatives are in fact mechanisms of a massive programme of forced and coercive non-voluntary labour. These programmes deny citizens the human right to free choice of employment afforded by the UN Declaration of Human Rights.
- According to the [UK Modern Slavery Act of 2015](#) and the [UN Palermo Protocol](#), these programmes qualify as "modern slavery" and "human trafficking" by dint of the victims being compelled to work through force, threat of force, coercion, and deception (even in cases in which the victims are paid).
- These forced labour programmes affect global supply chains, including one-fifth of all textiles and apparel produced in the world (including those shipped to the UK), as well as agriculture, electronics, mining, and chemicals and pharmaceuticals. UK companies are at significant reputational, economic, and legal risk when their supply chains are linked to these human rights abuses.
- The current auditing systems that are in place to monitor workers' rights are entirely ineffective because there is no ability to engage with workers directly without surveillance and without the threat of retribution.
- Until the CCP agrees to audits that include free access to un surveilled workers and guarantees no retribution for whistleblowers, all products made in XUAR or made by workers "transferred" from XUAR should be *presumed* to be made with forced labour, as there is no way to ensure free choice of employment for any minority citizen from that region.

The treatment of minorities in XUAR

1. Beginning in the summer of 2018, significant evidence began to emerge that the CCP imagines their system of over [380 detention and internment camps](#) as merely one part of a massive transformation of XUAR into a docile and lucrative hub in their Belt and Road project. While continuing to intern people in camps without trial, the CCP mandated that local governments shift their focus to the creation of an enormous forced labour regime that would put practically every able-bodied adult citizen in the region to work.
2. This forced labour regime functions both inside and outside the camp network. People who are supposedly “released” or “transferred” from the camp system are often required as part of their release to [work in co-located](#) or [proximate factories](#) for “[industrial park employment](#).” [Chinese government reports](#) have clearly indicated that factories are being built inside or near camps to facilitate these “releases.” In the summer of 2018, Kashgar regional government alone reported that they had transferred [100,000 detainees](#) from the camps to employment (at a promised pay rate of only £34 a month) into industrial parks that they had encouraged Chinese companies from other provinces to build in XUAR.
3. The [Xinjiang Production and Construction Corps](#) is a particularly egregious example of the forced labour regime in effect in the region – not only does it run prisons and internment camps in XUAR, but it [governs entire cities](#) that are major “[transferrers](#)” of labourers for these programmes.
4. For evidence of China’s use of forced labour in the massive extra-judicial internment camp system, one need only look to [China’s own state media](#). In 2018, China Central Television (CCTV) released a video report depicting a Uyghur worker who had been held in an internment camp. Signage on the wall of the factory pointed to a sporting goods retailer in the U.S. First-person testimony collected by the [Associated Press](#) confirmed that minorities held in the camps were being compelled to work in factories making goods for export. [Worker Rights Consortium](#) conducted a full analysis of the working conditions of the camps and determined it to be forced labour.
5. In addition to compelling internment camp victims to work, the CCP has designated as “surplus labour” those citizens living outside the camps who either lack jobs, are seasonally employed, or are retired. Local governments are required to [identify all “surplus labourers”](#) and compel them to take jobs in factories. Some “surplus labourers” are transported to nearby factories daily, others are forced to move into [dormitories](#) (sometimes alongside the camps), and others are forced to migrate to other provinces as “export labour.”
6. The CCP has falsely described their forced labour regime as beneficial “[poverty alleviation](#),” “[surplus labour](#),” and “[labour transfers](#).” Researchers have proven that the CCP’s programmes, as they are practiced in XUAR, are in fact systematically-enforced mechanisms of a massive programme of forced labour, which denies citizens the [human right to free choice of employment](#) afforded by the UN Declaration of Human Rights.
7. In other regions, where citizens have the choice as to whether or not to participate in the programmes, “poverty alleviation” has indeed been successful. In XUAR, however, it is impossible for a citizen to refuse these supposed opportunities for “poverty alleviation” because if they do, there are dire consequences. [Points can be deducted](#) from a [scorecard](#) that is kept for some minorities in the region – a low score has resulted for many in being sent to the internment camps or [delaying the release of family members](#) held in the camps. First-person testimony of people who [have been held in the camps](#), worked as [security](#) or teachers

within the camps, or have [relatives in the camps](#) reveal that minority citizens held in internment camps are sent to work as part of their daily schedules, and for those who are ostensibly free and living at home, participation in the labour programmes is [not voluntary](#) and is [coerced through threats of internment](#).

8. Many of the [factories employing XUAR minorities are surrounded by razor-wire fences](#), iron gates, and security cameras, and are [monitored by police](#), which is not the case for Han workers even when they are employed in the same factories. [Uyghur and Kazakh workers are not allowed to leave the factories voluntarily](#). First-person reports indicate that people working in the camps are either [unpaid](#), [paid far less than the minimum wage](#), [paid only minuscule amounts](#), or [have their salaries reduced](#) with the explanation that they owe a debt to their employers for food or transport to work. The [local police hold worker identification cards](#), limiting their movement. These are all clear indicators of human trafficking and modern slavery. Indeed, some who have escaped this forced labour regime have explicitly described it as [“slavery.”](#)
9. Workers are trained through [military-style discipline programmes](#) and organised with [“militarised management”](#) that is meant to eradicate “their ingrained lazy, lax, slow, sloppy, freewheeling, individualistic ways so they obey company rules.” [Advertisements](#) for [shipments](#) of hundreds of XUAR workers promote the transfer of minority workers who are described as “docile, obedient, never lazy, hardworking” and indicate that these workers can arrive with their own security officers as supervisors.
10. Many of the people who work in the camps are trained professional and business people ([university graduates](#), [film makers](#), [dentists](#), [nurses](#), [medical professionals](#), [restauranters](#), [business owners](#), [engineers](#), [marketing professionals](#), [retirees](#)) who are not under-employed and who would not otherwise work in factories. Nonetheless, they are forced to work in what the CCP calls [“labour-intensive”](#) industries. Others are forced to be complicit in the work of the camps, assigned to work as [teachers](#) (a leaked [government list](#) names several camp graduates recruited as teachers) or [security guards](#) in the camps, despite having been victims of the camps themselves.
11. The programme of forced labour is nearly ubiquitous for minority families across the region. There are approximately 13 million Uyghurs and Kazakhs living in XUAR. In the last several years, the [CCP reports](#) having employed 2.6 million minority citizens in “surplus labour” initiatives, relocating them to factories across the country. By their own reports, this represents a 46.1% increase in the number of XUAR citizens “transferred” outside of their hometowns for work. They report that they have employed another 440,800 minority citizens through other labour programmes in the last year. In sum, this constitutes more than 23% of the minority population of XUAR. Add to that the between [10 and 20%](#) of the population being held in the internment camps, and it is clear that a third or more of the minority population of the region is being held in this system of [“terror capitalism,”](#) as expert Darren Byler has dubbed it.

Chinese Corporate Profit Motive

12. The CCP is setting [ambitious targets](#) for the growth of their textiles, electronics, and agricultural industries, reliant upon these forced labour programmes. There has been massive growth in the [textile industry](#) alone in XUAR in the last five years. In 2014, there

were [640 textile](#) or textile-related factories in XUAR. As of October 2020, researchers at Sheffield Hallam University have identified 3300 textile and apparel factories alone. This is over 500% growth in numbers of factories alone over five years.

13. The CCP holds communities to [quotas](#) and [goals](#) for their ambition of employing a million surplus labourers by 2023 and provides [significant financial and tax incentives](#) to corporations that recruit the identified “surplus labourers,” including subsidies for the cost of building new factories, transporting the products made there to the coast, training programs for the new labour recruits (including Chinese language training), transportation of new workers, and salaries of workers.
14. Evidence suggests that there is an enormous profit motive for companies to engage in these so-called “poverty alleviation” programmes, while there is negligible decrease in poverty. As [Sun Yijie](#), Chairman of Xinjiang Jinfujie Clothing explained in a celebration of “poverty alleviation”: “In my opinion, helping to get rid of poverty is not the goal. It is our unremitting pursuit to get rich together with the people of all ethnic groups in Xinjiang.” Indeed, in one [economic benefit forecast](#), for instance, a company projected 800 million – 1 billion RMB in income from a poverty alleviation programme with 50-60 million of that in profit, but it only projected 20 people being brought out of poverty through the programme.

Affected company value chains supplying the UK apparel industry

15. This systematic programme of forced labour significantly affect UK supply chains.
16. Research from [Australian Strategic Policy Institute](#) and the [Wall Street Journal](#) has proven that more than a hundred major consumer brands that sell products in the UK are sourcing those products, in whole or in part, either directly or indirectly, from XUAR factories where forced labour is occurring, or from factories elsewhere in China that employ forced labour transfers of XUAR minorities.
17. Researchers at Sheffield Hallam University have identified UK companies doing business directly in XUAR include Rio Tinto (mining in XUAR), Aquascutum (a subsidiary of a company with major investments in XUAR), Aviva (major partnership with a company in XUAR), GlaxoSmithKline (has corporate offices and research partnerships in XUAR), and Legal & General (portfolio investments in XUAR).
18. Researchers at Sheffield Hallam University have identified companies that sell their products in the UK whose supply chains are at very high risk of sourcing from XUAR include Marks & Spencer, Walmart, Carrefour, H&M, Zara, Uniqlo, Asics, Adidas, Clarks, Nike, Levi’s Armani, Timberland, Van’s, Under Armor, Esprit, Skechers, GAP, Stella McCartney, and Michael Kors. Potentially affected products are sold in the UK by major online distributors including Amazon, Rakuten, Walmart, and Costco.
19. Though many major brands have denied forced labour has affected their products, none of them has provided evidence that proves that the cotton, thread, yarn, textile, or production of their products are definitively not grown, milled, or produced in XUAR. As [nearly 20% of the world’s cotton](#) comes from XUAR and it is often mixed with cotton from elsewhere in China, it would be quite unlikely that any company to prove with certainty that they are not complicit in XUAR forced labour.

20. Though this research is still in the early stages, we have identified over 3300 textile and apparel factories in XUAR as well as hundreds of other factories producing goods for export to the UK and other Western nations. We have identified dozens of companies in the interior of China that are receiving labour transfers from XUAR. Because there is no way for minority citizens to refuse work assignments in these factories or through transfers, all products made in those factories should be presumed to be made at least in part by forced labour. Companies in the UK whose supply chains are in China should be tracing them to see if they are linked to any of these companies. (Affected Chinese companies lists can be supplied upon request.)

Risk Spotlight: London Underground and UK National Rail Service

21. London Underground and other national rail services are supplied by Bombardier, Alstom, and CRRC, who are in turn supplied by Chinese company Jinchuang Group Co., Ltd (Part of KTK Holdings). Jinchuang Group participates in Chinese “surplus labour schemes” to employ forced labour migrants from XUAR..
22. [Jinchuang Group](#) works in R&D, production, sales, and service of railway vehicles and equipment. [Jinchuang Group customers](#) include [Bombardier](#) (HQ in Canada, UK HQ in Derby), [Alstom](#) (HQ in France), and [CRRC](#) (HQ in China). [Bombardier](#) claims they supply almost half of the UK’s railroad fleet and services 3000 of their cars. According to [Alstom’s website](#), “One third of all daily passenger rail journeys in the UK are on an Alstom train and half of the trains on the London Underground were made by Alstom.” CRRC, a Chinese rail corporation that is a major customer of Jinchuang, has made significant inroads to the UK rail industry, including [supplying 71 wagons](#) for the London Underground in 2017, as well as conducting [research partnerships](#) with Imperial College, University of Birmingham, University of Southampton, and [Loughborough University](#).
23. In 2018, Jinchuang Group opened a [militarised vocational training centre](#) for minority labourers, and [began “exporting” those trained labourers to their factories](#) in Jiangsu province. In 2019, minority citizens of [Nilka County \(Chinese transliteration: Nileke\)](#) were [“transferred”](#) for work assignments with the Jinchuang Group.
24. This is an excellent example of the way UK supply chains can unwittingly be connected to forced labour from XUAR. Though the London Underground is conducting business with reputable and established companies in the UK, US, and France, those companies are supplying their materials from a company that is directly engaged in forced labour programmes. London Underground is in unique position to demand transparency and insist upon unmonitored, unscheduled access to the factories and workers that produce their trains.

Effectiveness of the audit system and its ability to identify the presence of businesses within value chains which make use of forced labour

25. The vast majority of companies simply do not do their due diligence in tracing and/or disclosing their suppliers beyond the first tier, despite ample opportunity and tools available to do so. According to [UNECE](#), only 34% of fashion companies trace their supply chains – and even then, they only do so to the first tier. [Fashion Revolution](#) found that only 24% of apparel companies disclosed even a portion of their tier two or three suppliers. They found

only [one company](#) that disclosed all of its textile production sites. This ubiquitous corporate obscurity makes it impossible for investors, government stakeholders, and consumers to know whether a company is sourcing responsibly and avoiding forced labour.

26. While Chinese companies can obscure their sourcing, tracing company supply chains back to XUAR is **not difficult** if there is the will or the requirement to do so. Sheffield Hallam University's Helena Kennedy Centre has developed corporate guidance regarding the XUAR forced labour issue that includes step-by-step instructions for companies to determine whether their supply chains are connected to XUAR. (This guidance is available upon request.)
27. In order to comply with the [U.N.'s guiding principles on business and human rights](#) and with due diligence standards that ensure that worker rights are protected throughout the supply chain, third-party, worker-centered monitoring that includes unscheduled and un surveilled interviews with workers, in their own language, without fear of retribution is required.
28. [U.S. government reports](#) that auditors operating in XUAR have been detained, harassed, threatened, and surveilled, inhibiting their ability to do their jobs. The [Wall Street Journal](#) reported a case of an auditing team being arrested for 10 hours when they arrived for an unannounced inspection. Our research has uncovered an auditing firm that had its representatives arrested by the local police when they brought a Uyghur interpreter to speak with workers.
29. Experts agree that it is [impossible to conduct due diligence monitoring and auditing](#) in XUAR at this time, given the regime of surveillance and internment that is a constant threat to all citizens living in or originating from XUAR. Therefore, it is impossible to conduct un surveilled and uncoached worker interviews at this time. Research has shown that even in conditions of forced labour less systematic than what is found in XUAR today, [corporate audits fail](#) to identify or adequately address the most grievous rights violations.
30. For this reason, at least five auditing firms including [Better Cotton Initiative](#), [Worldwide Responsible Accredited Production](#) and [Bureau Veritas](#) have all halted auditing in XUAR.

RECOMMENDATIONS

Recommendations regarding Government's position regarding the risks of sourcing from XUAR and contracting with the companies with strong links to the region

31. Government's position on these products is already clear. The Modern Slavery Act of 2015 clearly names as criminal the requirement of an individual to perform forced or compulsory labour, which would thus define the CCP's "surplus labour" programmes as slavery. The UK Foreign Prison Made Goods Act of 1897 explicitly prohibits the import of goods made in prisons, which should include those made in extra-judicial internment camps. The Proceeds of Crime Act makes it a crime to profit from a crime, which should apply to all those Chinese companies who participate in forced labour programmes.
32. Government should adopt a rebuttable presumption that all products made in XUAR or by XUAR citizens employed through "surplus labour" or "labour transfer" programmes are made with forced labour unless companies can prove otherwise.
33. Government should stand as a global leader against forced labour in XUAR by enacting clear legislation that prohibits the import of products made by XUAR forced labourers (see below). Government should encourage EU trading partners to adopt similar strategies.

34. Government should urge China to allow U.N. human rights inspectors into XUAR.

Recommendations regarding advice provided to British businesses by Government to help assess risk, ensure compliance, and avoid engaging value chains which rely on forced labour

35. Government should demand that all companies doing business in the UK immediately stop all shipments coming directly from XUAR.

36. Government should advise businesses to trace the supply chains for all Chinese suppliers. Companies should require that all suppliers name all sub-contractors and sub-suppliers. Companies should create a nominated Supplier List of audited and approved second and third tier suppliers. If any company within their supply chain is involved in any poverty alleviation, surplus labour, or labour transfer programmes, they should immediately engage alternative suppliers.

37. Companies should demand unannounced, in-person, un surveilled, third party audits and an unfettered corporate compliance representative on the ground at all times. Short of unfettered, continuous monitoring, companies cannot rely on suppliers or individual company guarantees.

38. Government should encourage major brands to create or [join](#) industry-wide alliances to disengage their supply chains from the XUAR region to spread the burden of costs across the industry fairly and to make it possible for small businesses to respond ethically.

Recommendations regarding Government's response to evidence which suggests that businesses operating in the UK have engaged value chains which make use of forced labour in XUAR

39. Government should make all import and export records available to the public so that investors, stakeholders, and consumers can partially trace corporate supply chains.

40. Government should mandate that all companies publicly disclose all tiers of their supply chain on their Supplier Lists and post to their websites.

41. Government should require that companies disclose any supply chain connections to XUAR in their Modern Slavery Act disclosures.

42. Government should extend Modern Slavery Act disclosures to small- and medium-sized businesses.

43. Government should commission an inquiry that creates a comprehensive listing of all known companies participating in forced labour programmes, including labour transfers. All parent companies should be listed and considered complicit in forced labour programmes as well.

44. Government should amend the Modern Slavery Act to include a further prohibition on government procurement or corporate imports of products made, in whole or in part, through slavery, forced labour, or child labour (in XUAR or elsewhere).

45. Government should confiscate all shipments arriving at any UK port that have either been shipped directly from the XUAR or have been produced by a company named in the inquiry.

46. Government should criminally prosecute and fine companies that continue to source directly from XUAR.

47. Government should require complicit companies to pay reparations to XUAR victims or organizations that assist them.

48. Government should place Global Magnitsky sanctions on all personnel in charge of the XPCC as well as any major CEOs of companies that are engaged in partnerships with the XPCC.
49. Government should grant expedited asylum to all minorities from XUAR who seek it.
50. Government should boycott the 2022 Beijing Olympics.

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