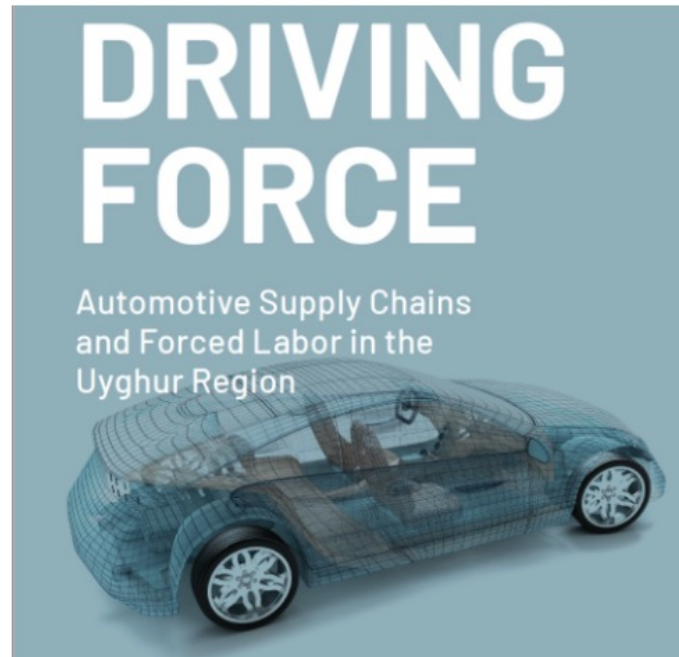




**INVESTOR ALLIANCE  
FOR HUMAN RIGHTS**  
AN INITIATIVE OF ICCR

# IS YOUR CAR DRIVING UYGHUR FORCED LABOR?



**Sheffield  
Hallam  
University** | Helena Kennedy  
Centre for  
International Justice

 **NOMOGAIA**  
GUIDING BUSINESS IN HUMAN RIGHTS

**February 14<sup>th</sup>, 2023 – 11am ET**

# Agenda



INVESTOR ALLIANCE  
FOR HUMAN RIGHTS  
AN INITIATIVE OF ICCR

- Discussion on the Driving Force Report
- Insights from the Uyghur Community
- Engaging with the Auto Sector – Investor Perspective
- Panel Discussion and Q&A
- Investor Action – next steps for investors

# Speakers



INVESTOR ALLIANCE  
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AN INITIATIVE OF ICCR



**Dr. Laura Murphy**  
Professor of Human  
Rights & Contemporary  
Slavery  
Helena Kennedy Centre,  
Sheffield  
Hallam University



**Yalkun Uluyol**  
Ph.D. Candidate  
Researcher  
Helena Kennedy Centre,  
Sheffield Hallam  
University



**Aaron Acosta**  
Senior Program  
Associate  
Investor Advocates for  
Social Justice



**Jewher Ilham**  
Uyghur Human Rights  
Advocate  
Coalition to End  
Uyghur Forced Labour,  
Spokesperson

# Panelists



INVESTOR ALLIANCE  
FOR HUMAN RIGHTS  
AN INITIATIVE OF ICCR



**Dr. Kendyl Salcito**

Executive Director, NomoGaia,  
Adjunct Professor  
University of Denver  
Sturm School of Law



**Mia Rabkin**

Researcher  
Sheffield Hallam University  
Helena Kennedy Centre



**Matthew Groch**

Senior Director  
Heavy Industry  
Mighty Earth

# Driving Force Report Discussion



**Dr. Laura Murphy**

Professor of Human Rights &  
Contemporary Slavery  
Helena Kennedy Centre,  
Sheffield Hallam University

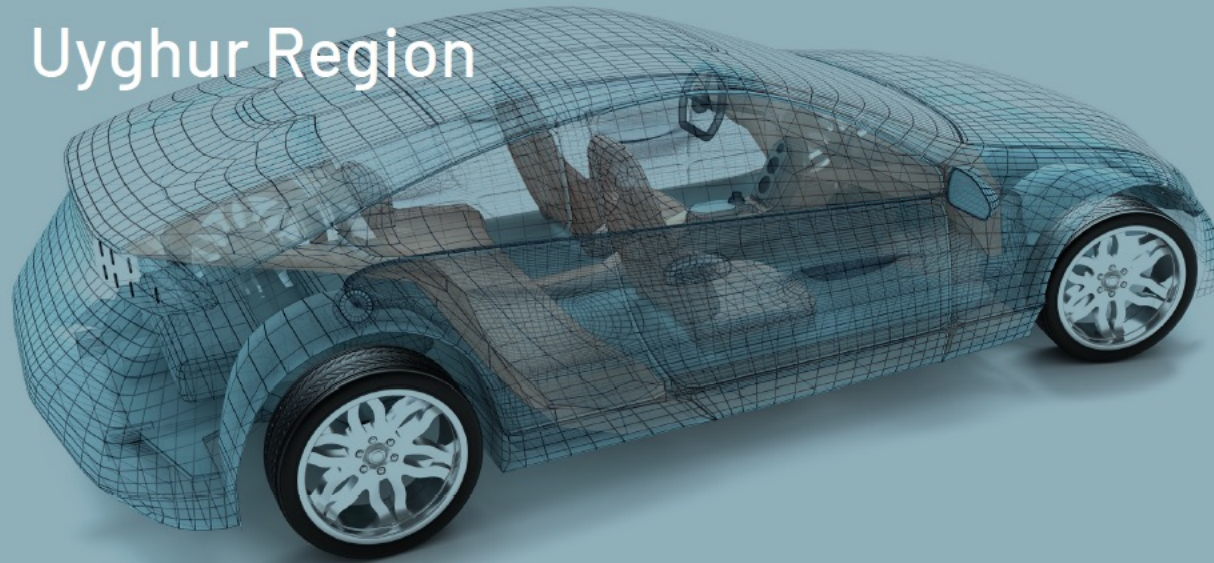


**Yalkun Uluyol**

Ph.D. Candidate  
Researcher  
Helena Kennedy Centre,  
Sheffield Hallam University

# DRIVING FORCE

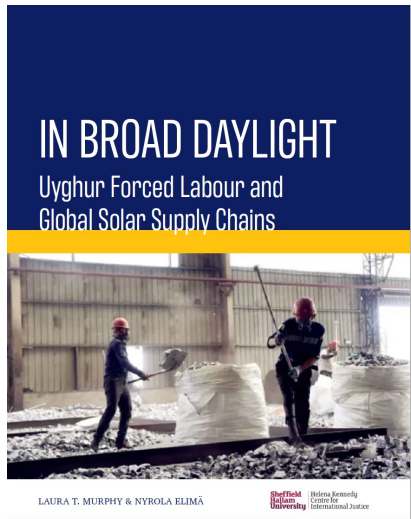
Automotive Supply Chains  
and Forced Labor in the  
Uyghur Region



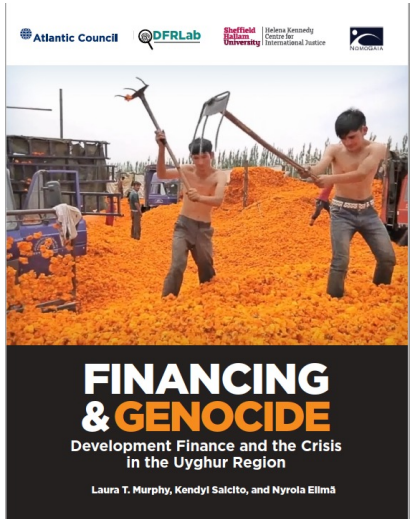
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Hallam  
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Helena Kennedy  
Centre for  
International Justice

# SHEFFIELD HALLAM UNIVERSITY RESEARCH ON UYGHUR FORCED LABOR



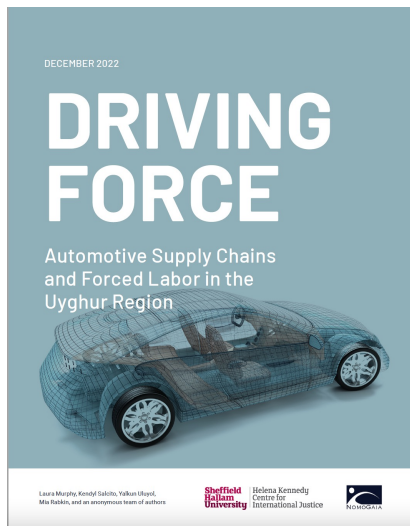
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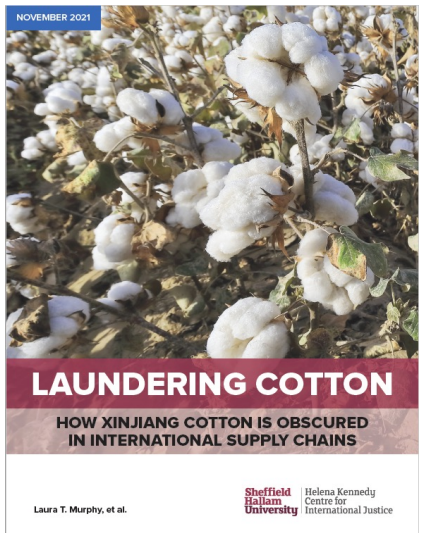
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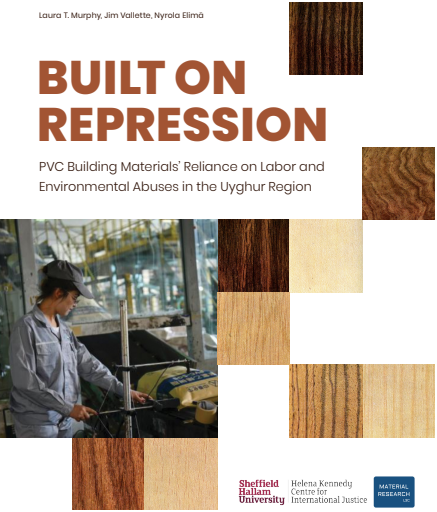
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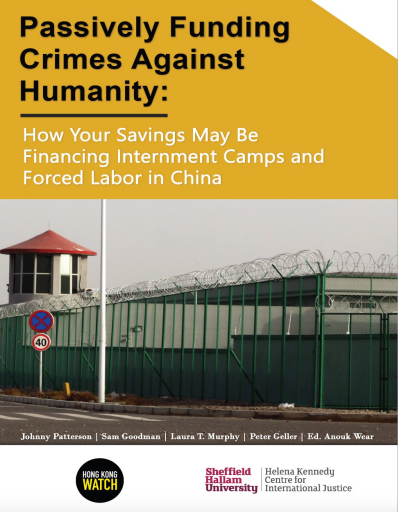
MAY 2021



FEB 2022



JUL 2022



DEC 2022

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# BACKGROUND

- There are approximately 12 million ethnic Uyghur and Kazakh citizens in Xinjiang Uyghur Autonomous Region (Uyghur Region)
- Over 1 million of them have been interned in camps spread across the region.
- Upwards of 3 million of them have been “transferred” for labor through a state-sponsored forced labour regime.
- Forced labor can occur in several ways:
  - within the internment camps
  - as a condition of “release”
  - in a “satellite factory” that is “on your doorstep”
  - as a transfer to a factory or farm within the Uyghur Region
  - as a transfer to a factory or farm outside the Uyghur Region



# METHODS



## Identification

Top manufacturers globally  
Companies operating in XUAR  
Companies operating a subsidiary in XUAR



## Analysis

Evidence of forced labor/camps/repression  
Customers and suppliers



## Tracing

Within China  
Out of China to international manufacturers  
and brands

# SOURCES

Our research team is fluent in Chinese, Uyghur, and Kazakh. We have expertise in Chinese politics, the Uyghur Region, forced labor, and supply chains.

We analyze

- customs records
- Financial filings & other corporate disclosures
- Chinese state media
- Chinese government directives
- corporate social media, publicity, websites
- satellite imagery

| Date       | Consignee                      | Consignee City | Consignee State/R | Shipper                              | Shipper City | Shipper State/Re | HS Code | Goods Shipped                                       | Weight (KG) |
|------------|--------------------------------|----------------|-------------------|--------------------------------------|--------------|------------------|---------|---|-------------|
| 2022-09-12 | Performance Tire Llc .         | Katy           | Texas             | Chiping Xinfra Aluminous Product Co. | Liaocheng    | Shandong         | 8708.70 | ALLOY WHEELS<br>SALLOY WHEELS                       | 19820       |
| 2022-09-10 | Ns Transportation Products Llc | Marion         | Ohio              | Chiping Xinfra Aluminous Product Co. | Liaocheng    | Shandong         | 8708.70 | ALLOY WHEELS  | 14220       |
| 2022-09-09 | 1875413 Alberta Ltd.           | Edmonton       | Alberta           | Chiping Xinfra Aluminous Product Co. | Liaocheng    | Shandong         | 8708.70 | ALLOY WHEELS  | 13280       |
| 2022-09-04 | Abood Wheels                   |                |                   | Chiping Xinfra Aluminous Product Co. | Liaocheng    | Shandong         | 8708.70 | ALLOY WHEELS  | 9860        |
| 2022-09-01 | Strada Wheels                  | City of Indust | California        | Chiping Xinfra Aluminous Product Co. | Liaocheng    | Shandong         | 8708.70 | ALLOY WHEELS  | 12260       |
| 2022-08-22 | A&M Global Imp. Inc.           | Glendale       | California        | Chiping Xinfra Aluminous Product Co. | Liaocheng    | Shandong         | 8708.70 | ALUMINIUM ALLOY WHEELS S/C: AEN225101 CY-CY VGM 154 | 11700       |
| 2022-08-18 | Performance Tire Llc .         | Katy           | Texas             | Chiping Xinfra Aluminous Product Co. | Liaocheng    | Shandong         | 8708.70 | ALLOY WHEELS<br>SALLOY WHEELS                       | 21750       |
| 2022-08-11 | Forgiato Inc.                  | Los Angeles    | California        | Chiping Xinfra Aluminous Product Co. | Liaocheng    | Shandong         | 8708.70 | ALLOY WHEELS THIS SHIPMENT CONTAINS NO WOOD PACKI   | 13840       |

# DEFINITIONS



Workers at Guanghui Group's interiors subsidiary in the XUAR make floor mats. This factory is located in an industrial park infamous for its internment camp.

According to the ILO Forced Labour Convention of 1930, **forced or compulsory labour is:**

"all work or service which is exacted from any person *under the threat of a penalty* and for which the person has *not offered himself or herself voluntarily*."

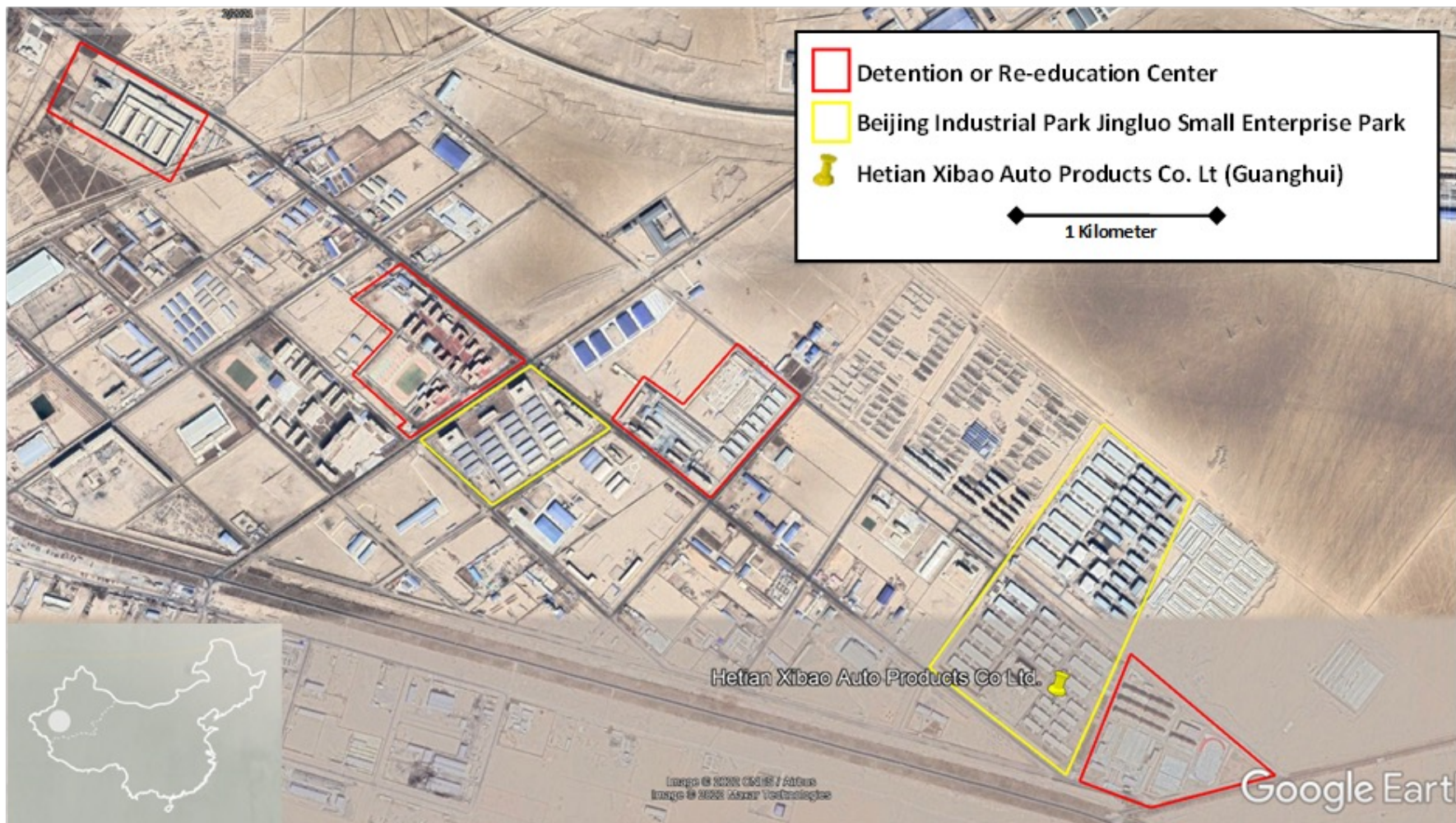
ILO indicators include:

- **abuse of vulnerability**
- **deception**
- **restriction of movement**
- isolation
- physical or sexual violence
- retention of ID
- withholding of wages
- debt bondage
- **abusive working conditions**
- excessive overtime

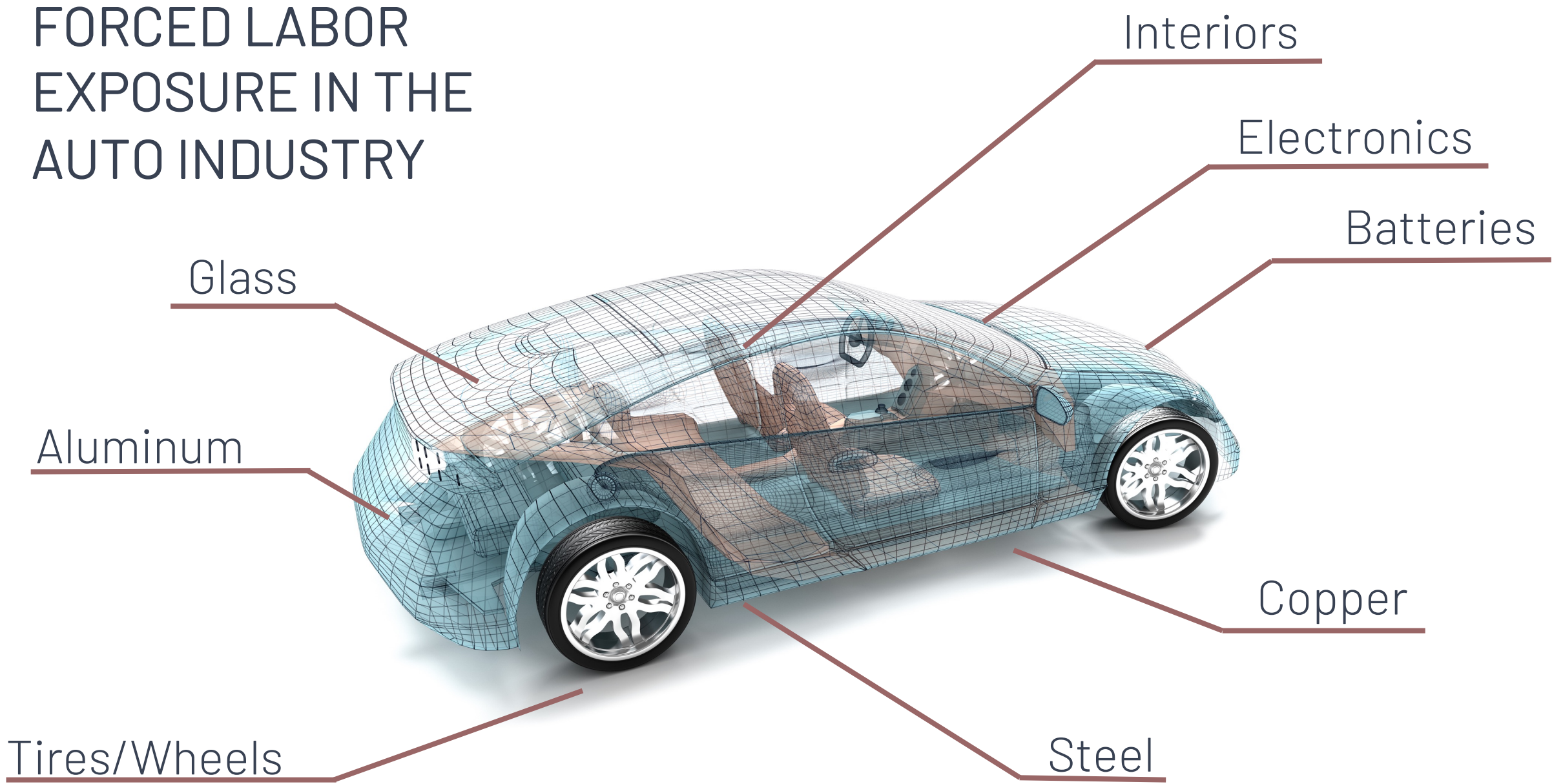
Our own research has identified additional evidence of the following:

- refusal of work placement equated with terrorism/illegal behavior
- **threat of internment or imprisonment**
- **harassment by labor agents**
- state-dictated quotas for workers
- **compulsory ideological training**
- **"militarized" discipline**
- state security minders
- children and elders sent into state care
- state-signed contracts
- **compulsory land transfer**
- retaliation for grievances
- **pandemic work transfers**

# GUANGHUI GROUP



# FORCED LABOR EXPOSURE IN THE AUTO INDUSTRY



Interiors

Electronics

Batteries

Glass

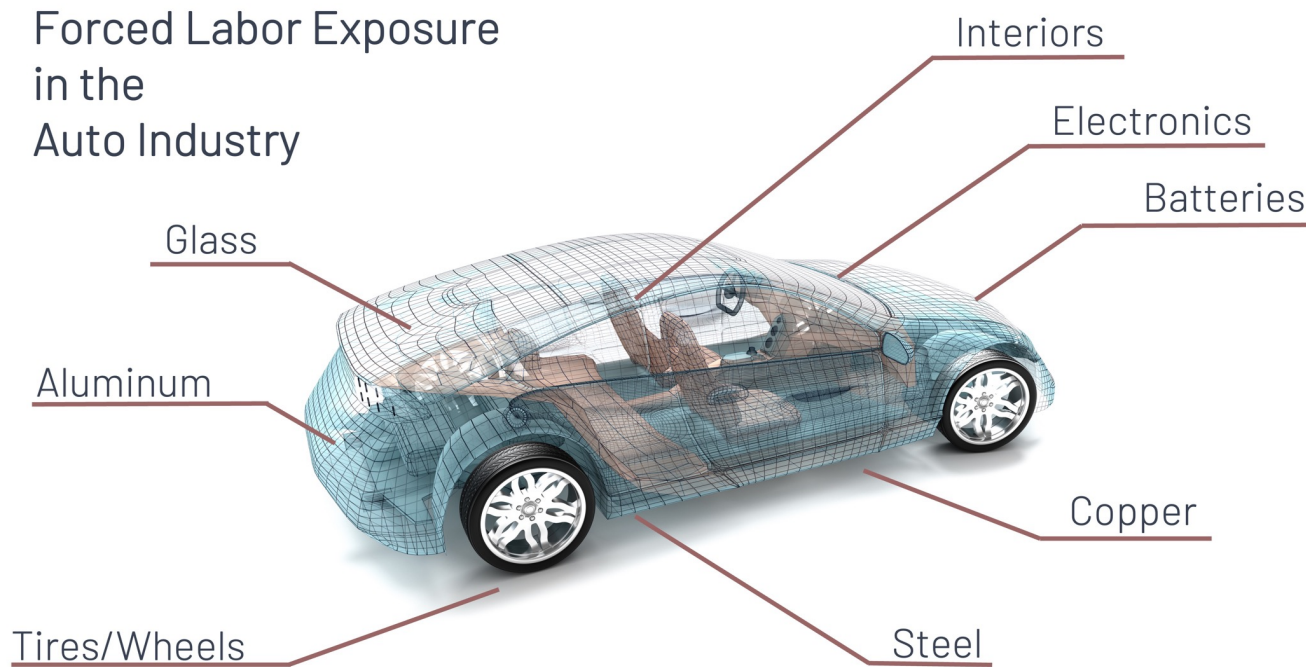
Aluminum

Copper

Tires/Wheels

Steel

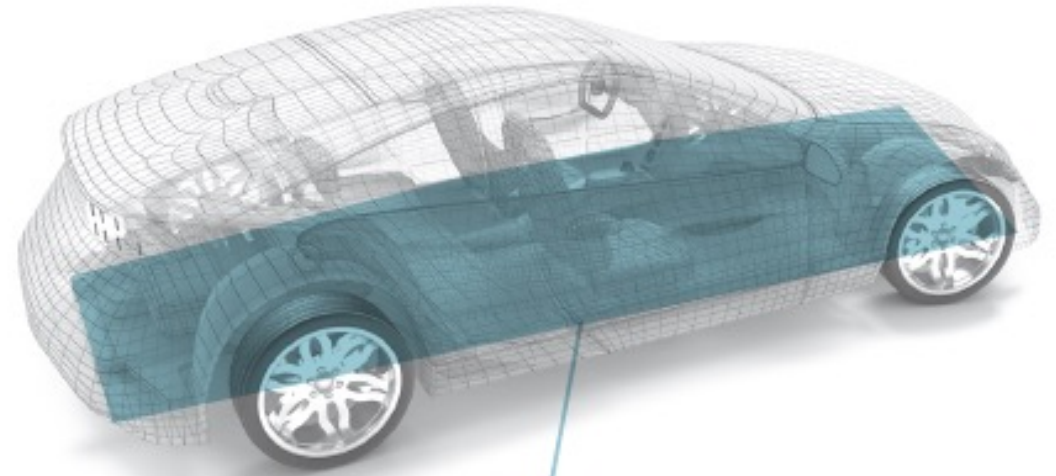
# FINDINGS AT A GLANCE



Between raw materials mining/processing and auto parts manufacturing, we found that practically every part of the car would require heightened scrutiny to ensure that it was free of Uyghur forced labor.

- 96 mining, processing, or manufacturing companies relevant to the automotive sector operating in the Uyghur Region, including at least 38 that have documented engagement in state-sponsored labor transfer programs.
- More than 100 international automotive parts or car manufacturers that have some exposure to forced Uyghur labor made goods.

# STEEL

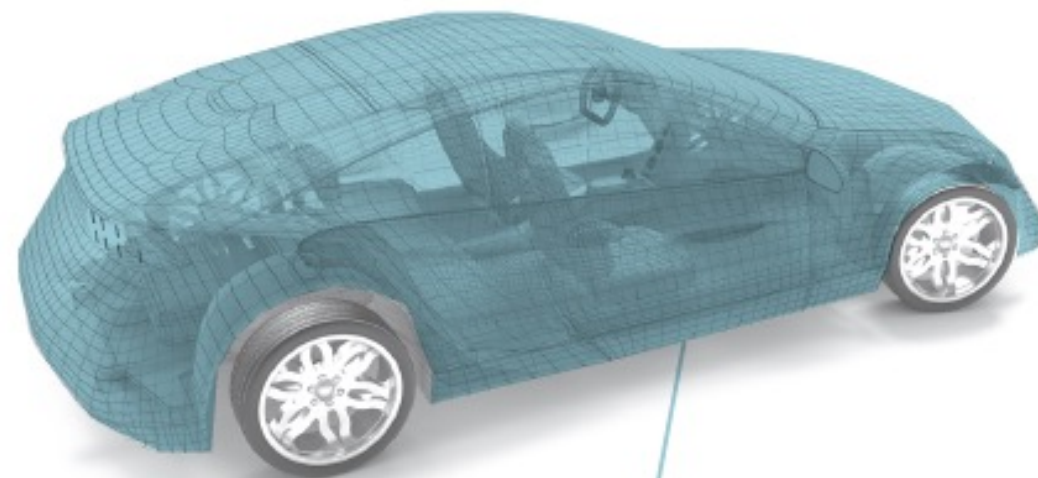
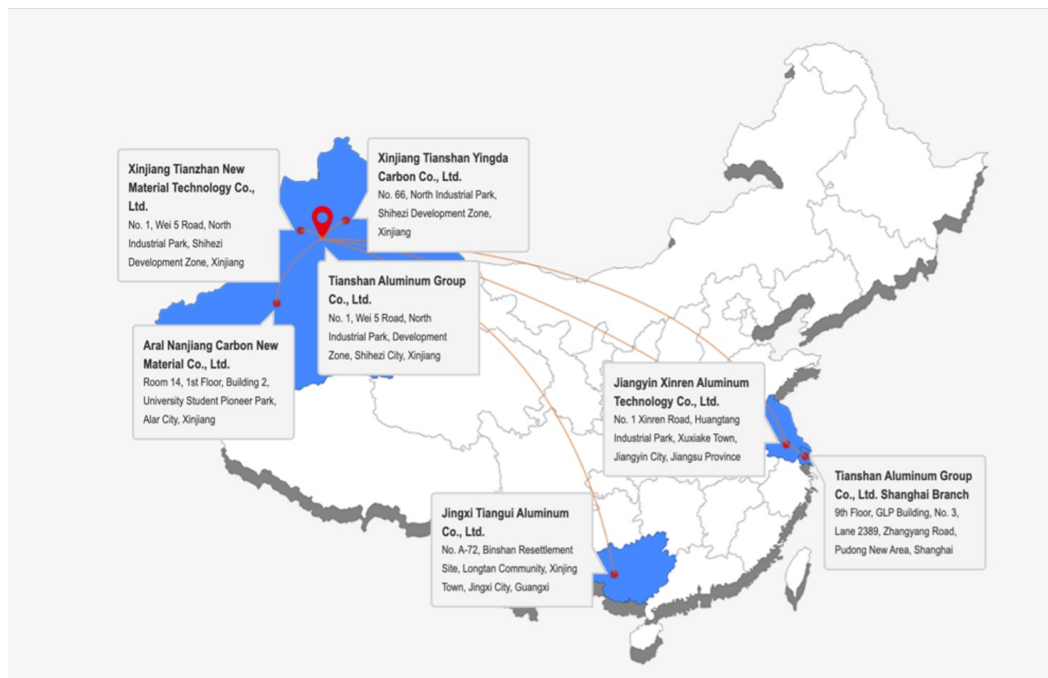


**Steel:** The world's biggest supplier of steel – Baowu – is also the largest steel producer in the Uyghur Region, prolifically employing forced labor through state programs. The company forced Uyghur workers to march for hours to factories during Covid lockdowns, then quarantined them on-site in sub-standard housing to keep producing steel. Baowu's Toutunhe smelter is surrounded by cottage steel industries including an array of auto parts makers that source steel from Baowu, engage in labor transfers of their own, and export directly to global markets through Urumchi's 'land port' for import/export.



Baowu Ultra-low carbon steel

# ALUMINUM



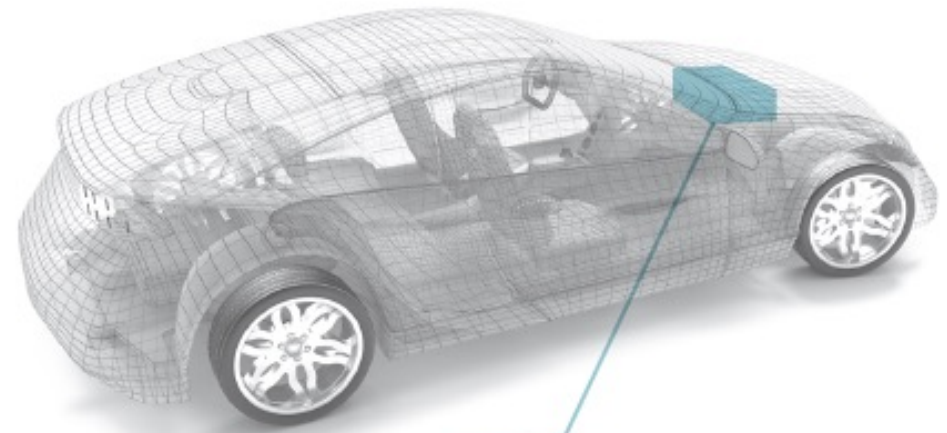
**Aluminum:** Today, Xinjiang's aluminum production is roughly 6.6 million tons per year, representing about a tenth of global production. The Uyghur Region produced more aluminum than India, Russia, Canada or any other major aluminum producer outside of China. Xinjiang smelters hire forced laborers directly into the sweltering and dangerous smelting rooms as well as into hazardous carbon anode manufacturing plants. Labor transfers into aluminum smelters were documented as recently as 2022.



Xinfa Wheels  
Mint parts  
Joinworld parts



# BATTERIES



**Batteries:** Batteries for traditional car engines are 60% lead, by weight. Smelting lead, either through recycling or from mining, is hazardous for workers and downwind communities, which has been a major driver for closing lead smelters in Eastern China. Since 2017, the government has licensed five lead-acid battery manufacturers to smelt lead and produce batteries in the Uyghur Region. The largest of these, Camel Group, has faced sanctions for "frequent blood lead incidents." Transferred workers from southern Xinjiang were subjected to state-sponsored labor transfer and to a "closed" pre-job training involving military and ideological indoctrination. EV batteries require lithium, nickel, cobalt, graphite, and manganese. China processes 60% of the world's lithium, with a growing percentage of that refining underway in Xinjiang. Xinjiang Asia-Europe Rare Metal is the largest lithium actor in the Uyghur Region, receiving "assigned" workers since at least 2017. Its partners include upstream suppliers of the world's largest lithium-ion battery producers.



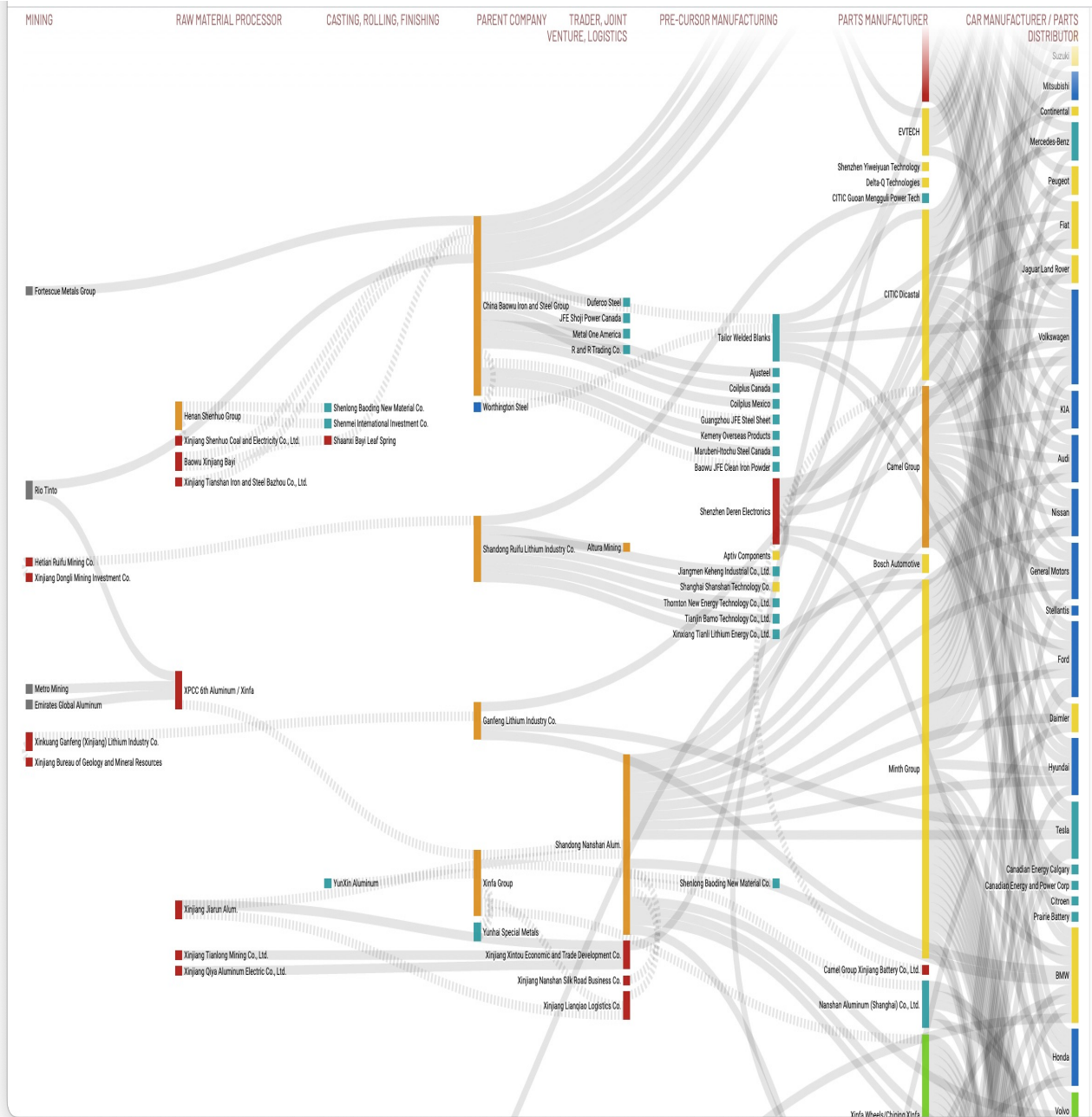
CATL Batteries  
Ganfeng Lithium  
Camel Group

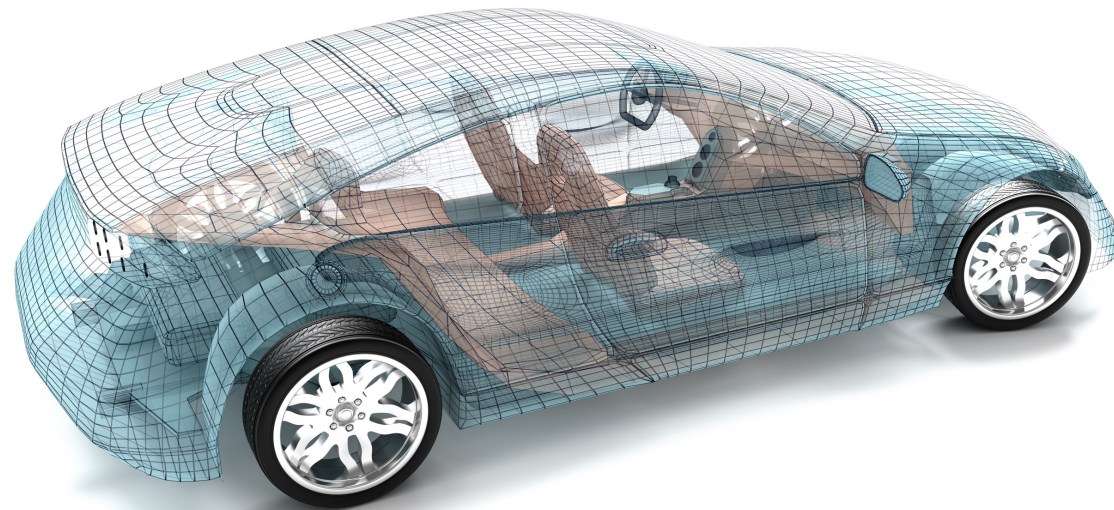
# AN INDUSTRY-WIDE PROBLEM

We traced the customers of companies that mine, process, and manufacture products relevant to the automotive industry that have engaged in forced labor in the Uyghur Region.

The results were startling – practically every major traditional automotive and electric vehicle manufacturer has significant exposure to forced labor in the Uyghur Region.

The auto industry cannot wait another day to trace their supply chains back to the raw materials. To do anything short of full tracing would be an enormous legal, ethical, and reputational risk.





No audit or tracing of a sanctioned product is entirely reliable in China

# FIRST STEPS FOR INDUSTRY ACTION (in development)

Immediately cease all sourcing from

- Baowu Steel's ultra-low carbon steel
- Xinfu aluminum products
- Tianshan aluminum products
- Shenhua aluminum products
- Joinworld aluminum products
- Dushanzi Petrochemical
- Hoshine/Hesheng Silicon Industry
- Guanghui Group

Use economic leverage to encourage suppliers to end sourcing from XUAR:

- Minth, Jingwei Group/Wikaway, and other must stop sourcing from XUAR
- CATL, Ganfeng, Camel, Double Coin, Xinfu must shutter XUAR holdings/projects
- Electronics companies that have employed labor transfers (Joyson, OFILM, JWD, Avary, Deren) must commit to exiting program

**Any refusal to end XUAR sourcing should trigger a termination in supply contracts**

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## RECOMMENDATIONS TO GOVERNMENTS

1. Pass and enforce mandatory human rights due diligence, applicable across the supply chain, for companies of all sizes and sectors.
2. Pass and enforce an import ban for all products linked to forced labor.
3. Identify the automotive sector as a priority for the implementation of forced labor import bans.

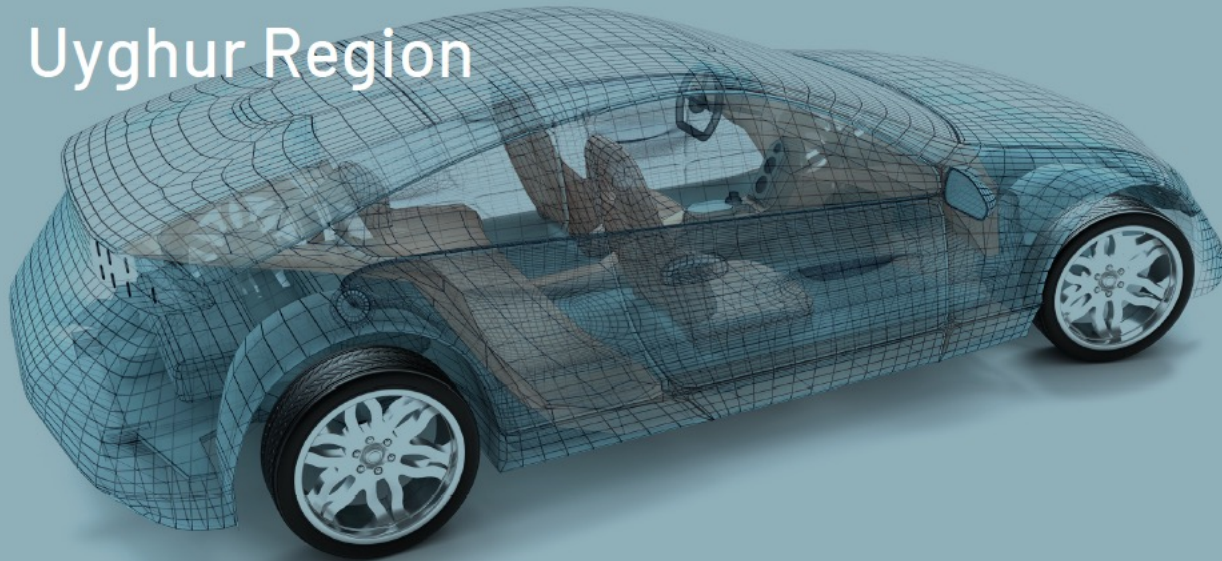
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## RECOMMENDATIONS TO CAR COMPANIES

1. Conduct or commission their own supply chain mapping
2. Cease sourcing all products mined, made, or manufactured, in whole or in part, in the Uyghur Region
3. Publicly report on findings of supply chain links to the XUAR to facilitate knowledge of supply chain risks across the automotive industry
4. Do not rely on attestation, industry certification, or audits as evidence that suppliers are free from links to forced labor in the XUAR
5. Collaborate with raw metals industries and industry associations to implement reparations to Uyghurs and other minoritized populations in the diaspora

# DRIVING FORCE

Automotive Supply Chains  
and Forced Labor in the  
Uyghur Region



Contact:

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NomoGaia

[salcito@nomogaia.org](mailto:salcito@nomogaia.org)



**Sheffield  
Hallam  
University**

Helena Kennedy  
Centre for  
International Justice

# Uyghur Community Voice



## **Jewher Ilham**

Uyghur Human Rights Advocate

Coalition to End Uyghur Forced Labour, Spokesperson



# Investor Perspective



## **Aaron Acosta**

Senior Program Associate

Investor Advocates for Social Justice

Investor Advocates  
for **Social Justice**

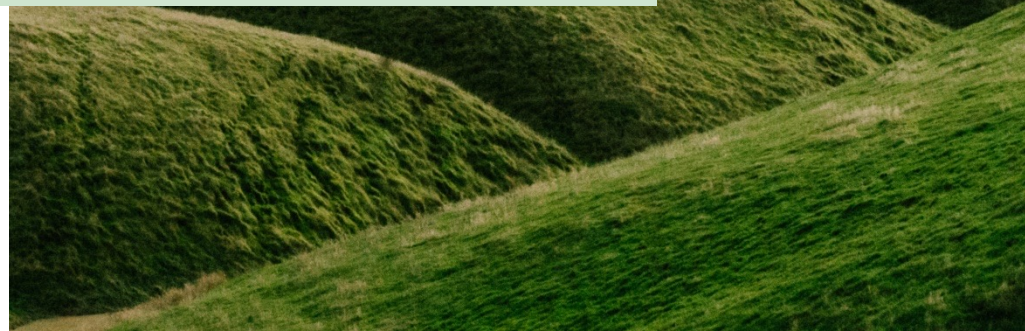


# Driving Force Presentation

Aaron Acosta

# Investor Advocates for Social Justice (IASJ)

- Who we are
- What we do
- Shifting Gears
  - child labor and forced labor in supply chain



# Shifting Gears

## Part I

- Human rights due diligence in the automotive supply chain
- 23 companies
- Uyghur and other ethnic minority forced labor (ASPI)
- Investor letters to GM and Volkswagen



# Shifting Gears, Part II

- Human rights in the EV supply chain
- Critical minerals and human rights
- XUAR Focus
- Blogs and Investor Letters
- Floor Proposal



# Lessons and Opportunities

- Multistakeholder collaboration
- Leveraging research
- Leveraging political and regulatory momentum



# Panelists



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**Dr. Kendyl Salcito**

Executive Director, NomoGaia,  
Adjunct Professor  
University of Denver  
Sturm School of Law



**Mia Rabkin**

Researcher  
Sheffield Hallam University  
Helena Kennedy Centre



**Matthew Groch**

Senior Director  
Heavy Industry  
Mighty Earth



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# Questions?





**INVESTOR ALLIANCE  
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AN INITIATIVE OF ICCR

- Join our Uyghur Region Investor Engagement Group
  - 60 investors engaging across 8 sectors
  - Coordinated collective engagement with over 60 companies
  - New engagement on automotive sector to be launched
  - Join our quarterly calls (next call Feb 21<sup>st</sup> at 11am ET)
- Refer to our [Investor Guidance](#)
- Please contact Anita Dorett at [adorett@iccr.org](mailto:adorett@iccr.org) for further information





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**Thank You!**

# Investor Alliance for Human Rights

A collective action platform connecting institutional investors with tools and strategies to promote corporate respect for human rights.

Join Us

Sign up to become a member: <https://bit.ly/2IOYDA9>

For more information, contact: [adorett@iccr.org](mailto:adorett@iccr.org)