



INVESTOR ALLIANCE
FOR HUMAN RIGHTS

UNJUST TRANSITION: UYGHUR FORCED LABOR IN THE GLOBAL SOLAR SUPPLY CHAIN

Monday, September 27, 2021

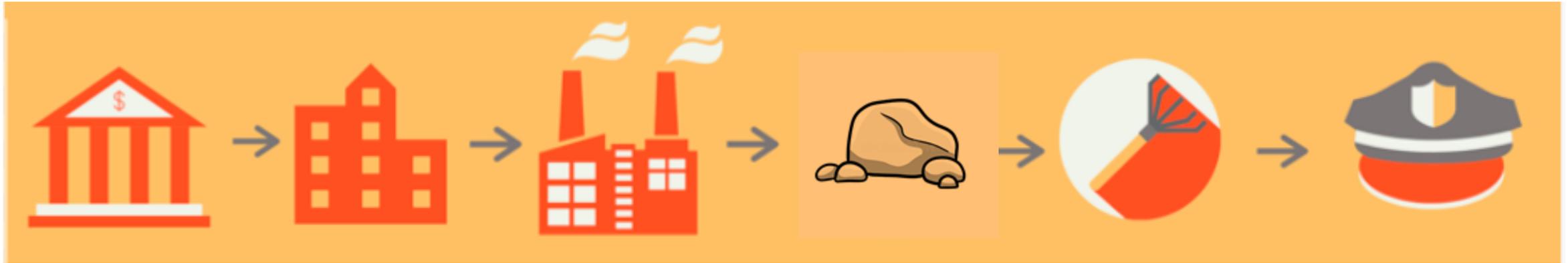
East Turkistan – Uyghur Region



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Investors Responsibility



Institutional
Investors

Solar
Company

Module
Manufacturer

Polysilicon
Producer

Quartz -
Raw
Materials

Local
Authorities



- Enhanced HRDD needed as XUAR is a high-risk region
- Guiding Question for Corporate Engagement
- Collective Action with Civil Society Organizations, Trade Associations, Government & International Organizations

“The only viable solution is to consider the entire region to be thoroughly tainted with different forms of coercive labor.”

- Researcher Adrian Zenz



Panelists

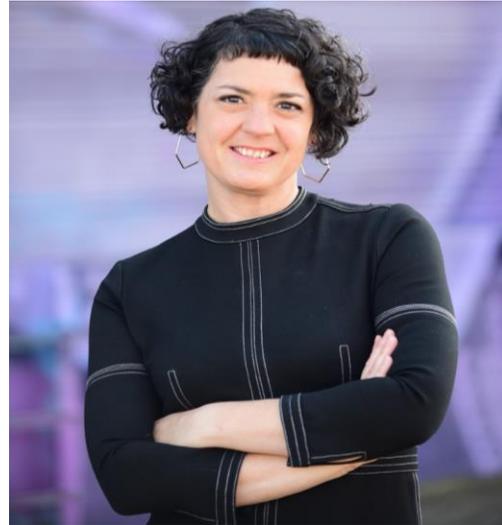


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Nyrolä Elima

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Professor of Human Rights
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Panelists



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Nyrolä Elima

Researcher at Helena Kennedy
Centre for International Justice and
co-author of “In Broad Daylight”
Report

Forced Labour Lab

The Forced Labour Lab at the Helena Kennedy Centre is an initiative to provide an evidence base for better understanding forced labour globally



The Forced Labour Lab is a project of the Helena Kennedy Centre for International Justice that conducts research on forced labour, modern slavery, and human trafficking. Our current research focuses on the systematic forced labour of minoritized citizens in the Xinjiang Uyghur Autonomous Region of China. Our

IN BROAD DAYLIGHT

Uyghur Forced Labour and Global Solar Supply Chains



BACKGROUND

- There are approximately 12 million ethnic Uyghur and Kazakh citizens in Xinjiang Uyghur Autonomous Region (Uyghur Region)
- Approximately 1.8 million of them have been interned in camps spread across the region.
- Upwards of 2 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

A) ARE THEY ENGAGING LABOUR
TRANSFERS?

(劳动力转移, 富余/剩余劳动力, 军训,
国语培训)

State-sponsored Labour
Transfer Programmes

干得好的要表扬、奖励，干得不好的要批评教育甚至处分。

Labor agencies must “have organizational discipline in place and implement **militarized management** to allow people with employment difficulties **to get rid of selfishness** and distractions, **change their long-cultivated lazy, idle, slow, and inconstant behaviours of personal freedom**, to abide by corporate rules and regulations and **work discipline**, and to devote themselves to daily production. In daily life; they should **have iron discipline...**”

“Good work should be praised and rewarded, and bad work should be criticized and educated or even punished.”



Employ one person, Alleviate poverty for a household;
Labour is glorious; Getting rich is glorious;
Let's unite as one and run toward a well-off life together.

B) Are government officers or recruiters going house to house? Did they assign Uyghur or Kazakh person to a point value ?

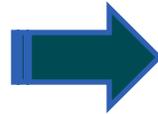
(工作队反复劝说, 改变他们的意识形态)

About doing a good job in serving the urban and rural surplus labor force in Qapqal County

Transfer employment work implementation plan

Quantitative Point System

- + Unwilling to participate in training?
- + Able to go elsewhere for employment but are not active in seeking employment?
- + Have outdated concepts or stubborn thinking?



Points determine placement in three categories

- **Controlled**: sent to training
- **General**: assigned nearest local transfer
- **Secure**: issued “Urban and Rural Surplus Labor Transfer Employment Personnel Certificate” and transferred to the interior

C) Are the company's facilities co-located with a camp?

D) What is their engagement with the Xinjiang Production and Construction Corps (XPCC)



Panelists



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Laura Murphy

Professor of Human Rights and
Contemporary Slavery, Helena Kennedy
Centre for International Justice, Sheffield
Hallam University and co-author of “In
Broad Daylight” Report

IN BROAD DAYLIGHT

Uyghur Forced Labour and Global Solar Supply Chains





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.***"

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

The Making of a Solar Panel



1. Raw Materials



2. Polysilicon



3. Ingots



4. Wafers

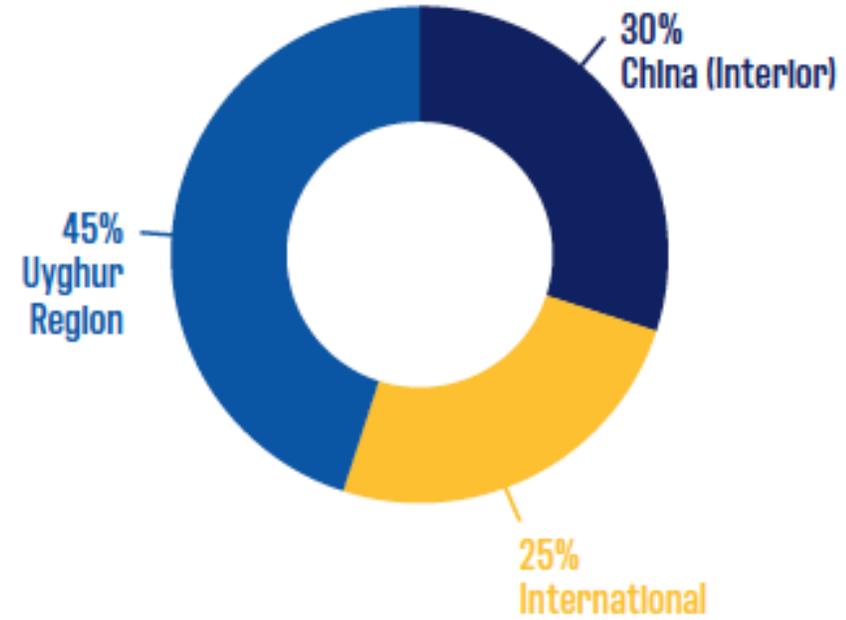


5. Cells



6. Modules

2020 Polysilicon Market Share



**Sheffield
Hallam
University**

Helena Kennedy
Centre for
International Justice



Raw Materials

- Hoshine
- Sokesi
- ten others



Polysilicon

- Daqo
- TBEA/Xinte
- GCL-Poly
- East Hope
- 2 others



Ingots to Modules

- JinkoSolar
- LONGi
- Trina
- JA Solar
- 6 others

HOSHINE



Their labour recruitment process promises “transformation of surplus rural labor into industrial workers and urban dwellers, making them become fresh combat troops for industrialization, urbanization, and agricultural modernization.”

**Sheffield
Hallam
University**

Helena Kennedy
Centre for
International Justice

HOSHINE



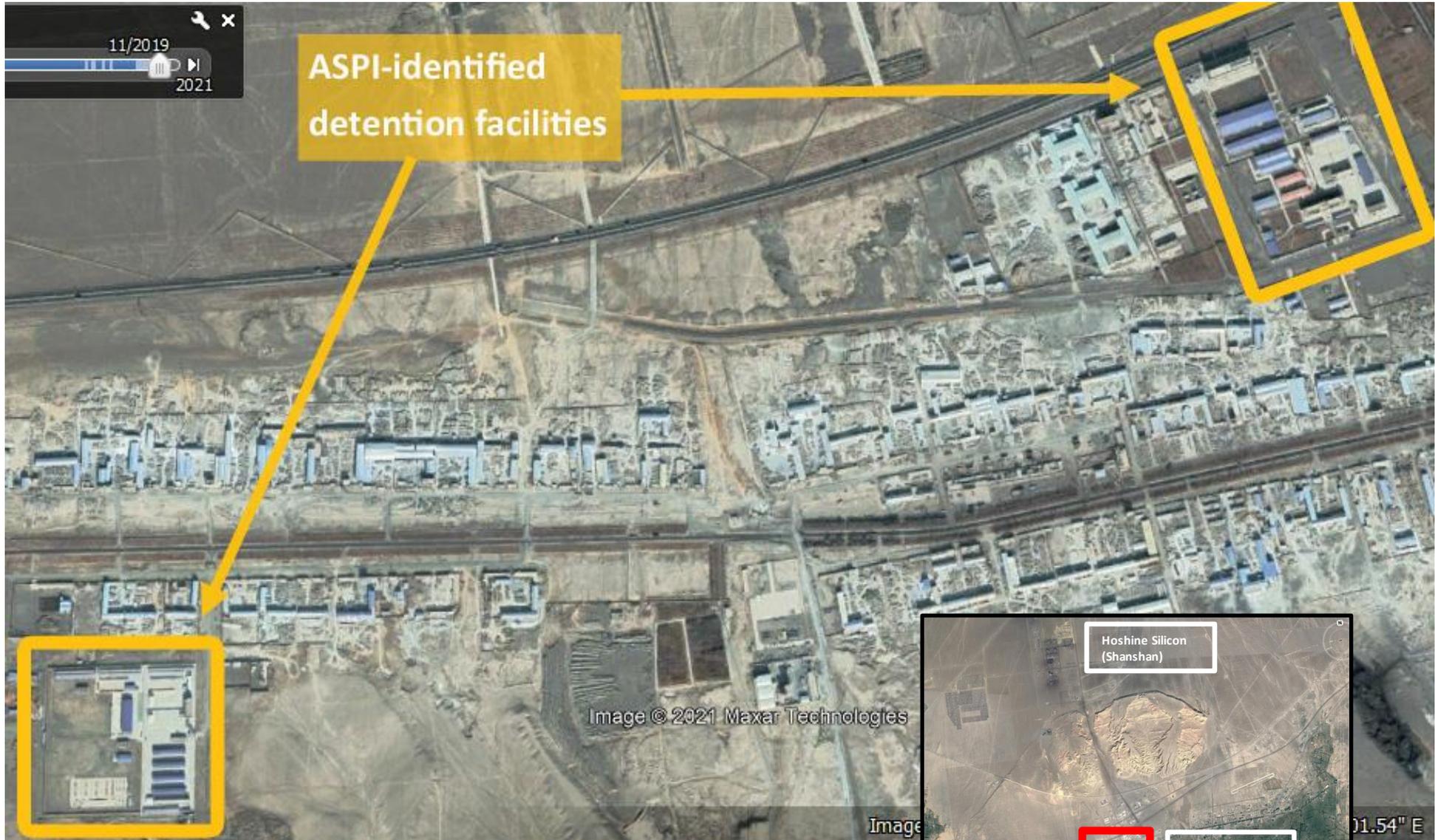
**Sheffield
Hallam
University** | Helena Kennedy
Centre for
International Justice



Image © 2021 Maxar Technologies

Google Earth

Imagery Date: 2/1/2021 42°58'51.01" N 90°08'04.14" E elev 0 ft eye alt 13210 ft



11/2019



Internal fenced areas

Double perimeter: fence + wall

Image © 2021 Maxar Technologies

Imagery Date: 11/30/2019 42°53'36.49" N 90°10'03.29" E

HOSHINE



Xinjiang Hoshine receives significant subsidies and support from the **XPCC**. In their 2019 annual report, they indicated that they had received financial incentives/investments from the XPCC in the amount of **40,140,411RMB**, and they listed an additional on-going special subsidy from the XPCC that originated in 2012 for the amount of **26,855,298RMB**. Xinjiang Hoshine also received compensation from the XPCC in 2017 and 2019 for costs incurred by the company for **vocational skills upskilling training** they provided to local laborers.





Raw Materials

- Hoshine
- Changji Jisheng New Building Materials
- Xinjiang Sokesi
- 3 others



Polysilicon

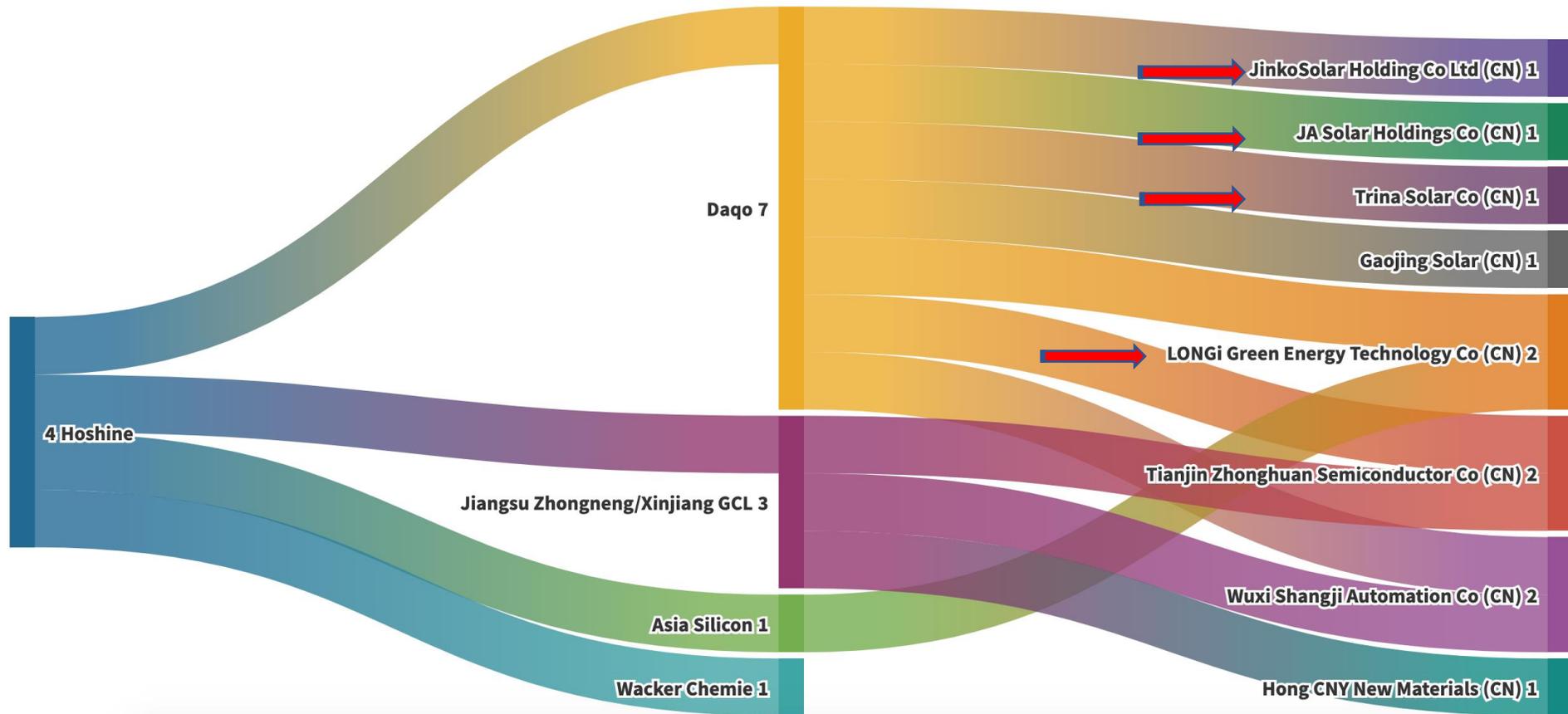
- TBEA/Xinte
- GCL-Poly
- East Hope



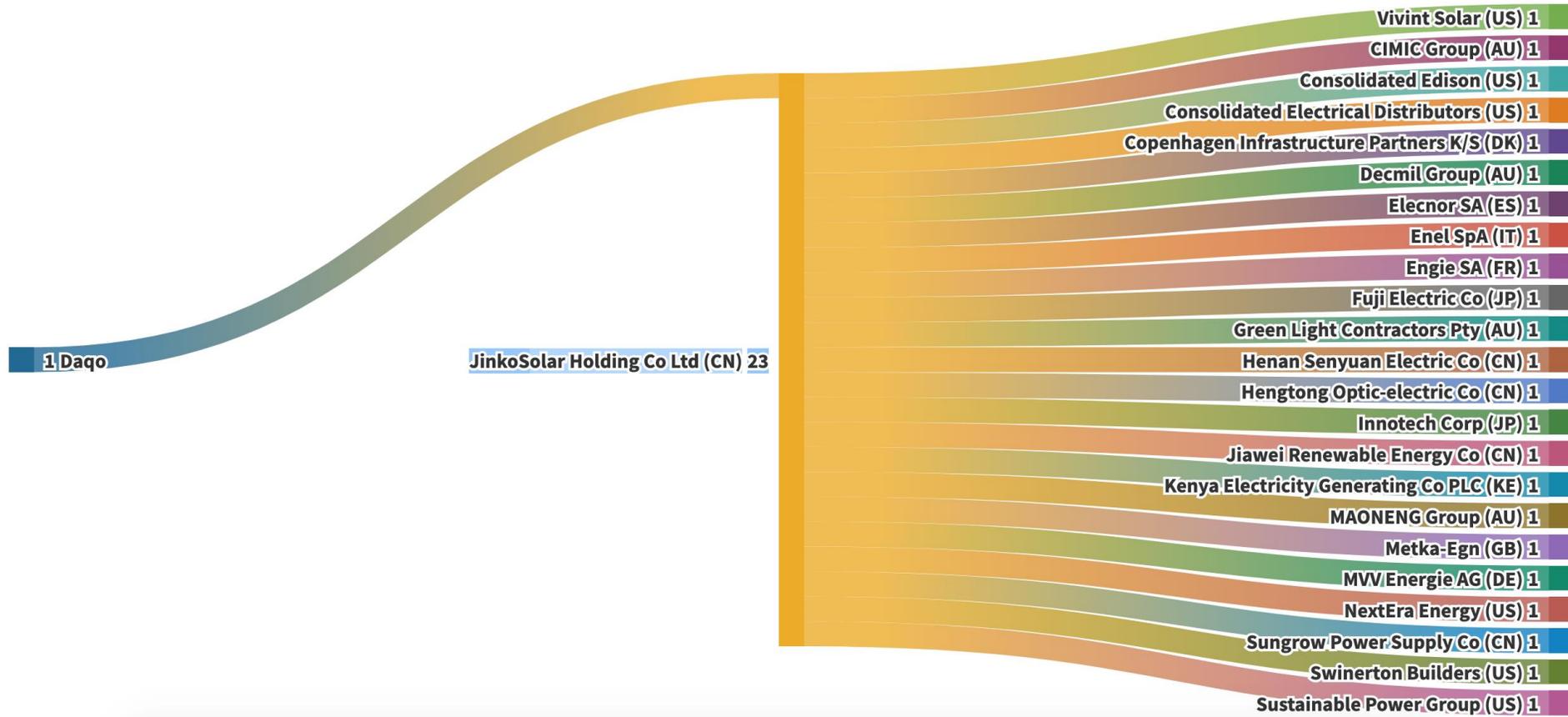
Ingots to Modules

- JinkoSolar
- Trina (possible)

HOSHINE



confirmed current contracts



2019 annual report customers

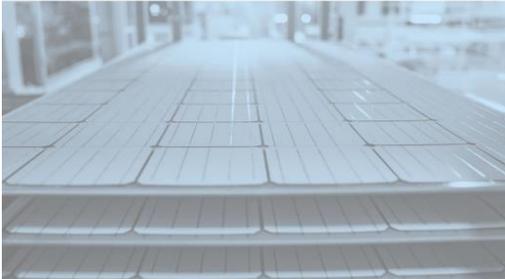
INDUSTRY RESPONSE



SOLAR SUPPLY CHAIN TRACEABILITY PROTOCOL 1.0

INDUSTRY GUIDANCE

April 2021



www.seia.org

May 19, 2021



Solar Industry Forced Labor Prevention Pledge

Last updated: May 19, 2021 at 9:00AM ET

We, the undersigned companies and organizations, state our firm opposition to the use of forced labor within the solar supply chain. We hereby commit to helping ensure that the solar supply chain is free of forced labor and raising awareness within the industry on this important issue. To assist in these efforts, we support the development of an industry-led solar supply chain traceability protocol as a tool for identifying the source of primary raw materials and inputs and tracking their incorporation into finished products, including solar modules.

<ul style="list-style-type: none"> Rminute Solar Energy Acciona Energy Aegis Renewable Energy AES Clean Energy Affordable Solar age inc. AIONRISE Alion Energy Allterra Environmental, Inc. AlsoEnergy, LLC Alternative Energy Southeast, Inc. Ameresco American Design & Build, Ltd. American Ground Screw American Microgrid Solutions Amicus Solar Cooperative AMP Solar Group, Inc. Apex Clean Energy Holdings, LLC Aptos Solar Technology, LLC Arctic Solar Ventures Corporation Artisan Electric, Inc. Aten Solar Aurora Solar Inc Avangrid Renewables Astec Solar Inc. BayWa r.e. US Beltown Power Texas Best Energy Power Better Builder Birdseye Renewable Energy 	<ul style="list-style-type: none"> Black & Veatch Corporation Blattner Energy, Inc. Bluestem Energy Solutions Borrego Solar Systems BrightNight Brooklyn Solarworks C2 Energy Capital CA Clean Energy LLC California Solar Electric Systems, Inc. Candela Renewables Cape Fear Solar Systems, LLC Capital Dynamics Cardno Carolina Mountain Solar Carolina Solar Energy, LLC Catalyze Catamount Solar CED Greentech HQ Clean Energy Associates Clean Energy USA Clean Power Marketing Group CleanCapital Clearway Energy Group Cohabernick, LLP CollectiveSun, LLC Connectgen LLC Convergent Energy and Power Inc. Core Development Group Cottonwood Energy, LLC Cotuit Solar, LLC
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Solar Energy Industries Association (SEIA) | 1425 K Street, N.W. | Suite 1000 | Washington, D.C. | 20005
Building a Strong Solar Industry to Power America | www.seia.org

May 19, 2021



<ul style="list-style-type: none"> Creative Energies Cubico Sustainable Investments CS Energy Cypress Creek Renewables D.E. Shaw & Co., L.P. DC Energy Innovations, Inc. DMV GI Dominion Energy Duke Energy Dynamic Energy Solutions Eden Renewables EDF Renewable Energy EDP Renewables Encore Renewable Energy Enel Green Power North America, Inc. ENGIE North America Enphase Energy, Inc. EnPower Solutions EnterSolar Eolus Project Holdings, LLC Excelsior Energy Capital FATCO, Inc. Fire Mountain Solar LLC Florida Solar Partners Flywheel Development LLC ForeFront Power Development, LLC FTC Solar Inc. GCL System Integration Technology, LLC Geoscape Solar Gigawattinc.com Green Street Power Partners, LLC Greenskies Renewable Energy, LLC Greenspark Solar GRID Alternatives Hanwha Q CELLS America Inc. Hecate Energy Heliolytics Hexagon Energy, LLC Idahome Solar 	<ul style="list-style-type: none"> Idemitsu Renewables IGS Energy Impact Power Solutions Infinitt Energy Services LLC Infrastructure and Energy Alternatives, Inc. Innergex Renewable Energy Inovateus Solar LLC Intersect Power Invenery LLC Ipsun Solar IronBridge, Inc. JA Solar Jiangsu Seraphim Solar System Co., Ltd. JinkoSolar (U.S.) Inc. JM Services, LLC Jswi, Inc. K2 Systems, LLC Kiterocket KT Black Lightsource bp LG Electronics U.S.A. LONGI Solar Technology (U.S.) Inc. Longroad Energy Holdings, LLC Mayfield Renewables McCarthy Building Companies Inc. McCauley Lyman Megascel Energie AS Mentis, LLC Mission Solar Energy Morse Associates, Inc. Mortenson muON Marketing Mynt Systems Namaste Solar NARENCO National Grid Renewables Natural Power Consultants Nautilus Solar Energy, LLC NEC Solar
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Building a Strong Solar Industry to Power America | www.seia.org

US GOVERNMENT RESPONSE

- Customs and Border Protection “Withhold Release Order” on Xinjiang Hoshine Silicon Industry Co.
- Commerce Dept “Entities List” Designation for
 - Hoshine Silicon Industry (Shanshan)
 - Xinjiang Daqo New Energy
 - Xinjiang East Hope Nonferrous Metals
 - Xinjiang GCL New Energy Material Technology
 - Xinjiang Production and Construction Corps
- Depart of Labor Designation of Polysilicon Made with Forced Labor in China to the “List of Goods Made with Child or Forced Labor”

U.S. solar advocates are appealing to the administration to refine its initial approach — so it still discourages human-rights abuses in Xinjiang without ensnaring imports. Hopper suggested a focus on polysilicon, not the metal from which it is formed. And some solar supporters are asking the administration to phase in future moves so companies aren't caught flat-footed, according to two people familiar with the matter.

COALITION TO END FORCED LABOUR IN THE UYGHUR REGION

- 1) end all contracts with any suppliers that own a subsidiary, facility, or mine in Xinjiang or are a subsidiary of a parent company that owns a subsidiary in the region, and
- 2) cease all relationships with companies that are being supplied in any way by companies operating in Xinjiang.

NEXT STEPS FOR INVESTMENT

- Expansion of capacity for established companies manufacturing solar supply chain inputs (REC, Wacker, OCI, etc)
- Development of new manufacturing facilities outside of China
- Innovation in non-polysilicon-based solar energy (thin film technology, emerging techn)
- Government and development investment bank green infrastructure investments

IN BROAD DAYLIGHT

Uyghur Forced Labour and Global Solar Supply Chains



LAURA T. MURPHY & NYROLA ELIMÄ

Sheffield
Hallam
University | Helena Kennedy
Centre for
International Justice

Panelists



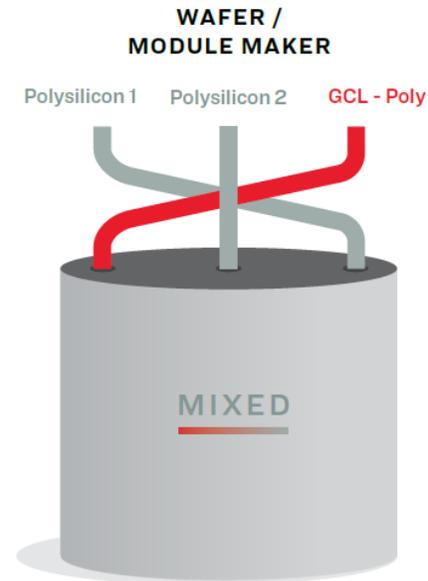
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Reginald Smith

Research Analyst at Eventide Asset
Management

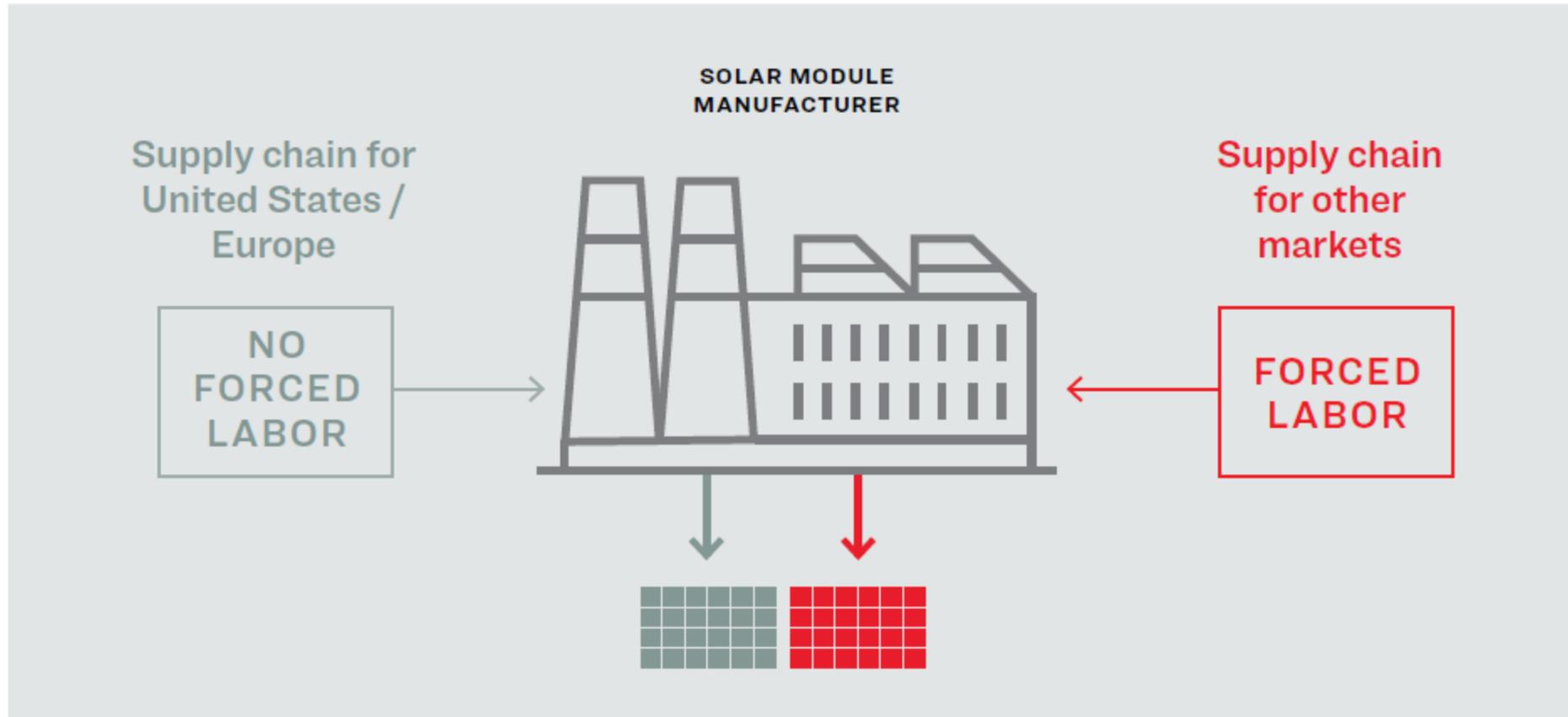
Traceability Can Prevent Mixing



↑ When ingots and wafers are made, polysilicon from many sources is mixed together. If one polysilicon company is exposed to forced labor, **all of the products** are contaminated.

This presentation expresses the views of Eventide Asset Management, LLC's personnel, and there is no guarantee that such views are accurate. The material provided herein is for informational purposes only and should not be construed as a recommendation for any investment. There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses.

The “Bifurcated” Supply Chain



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One Long-Term Solution

Sourcing from companies that do not use forced labor – directly or in their supply chains – for any of their products is the long-term solution

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Q&A Discussion

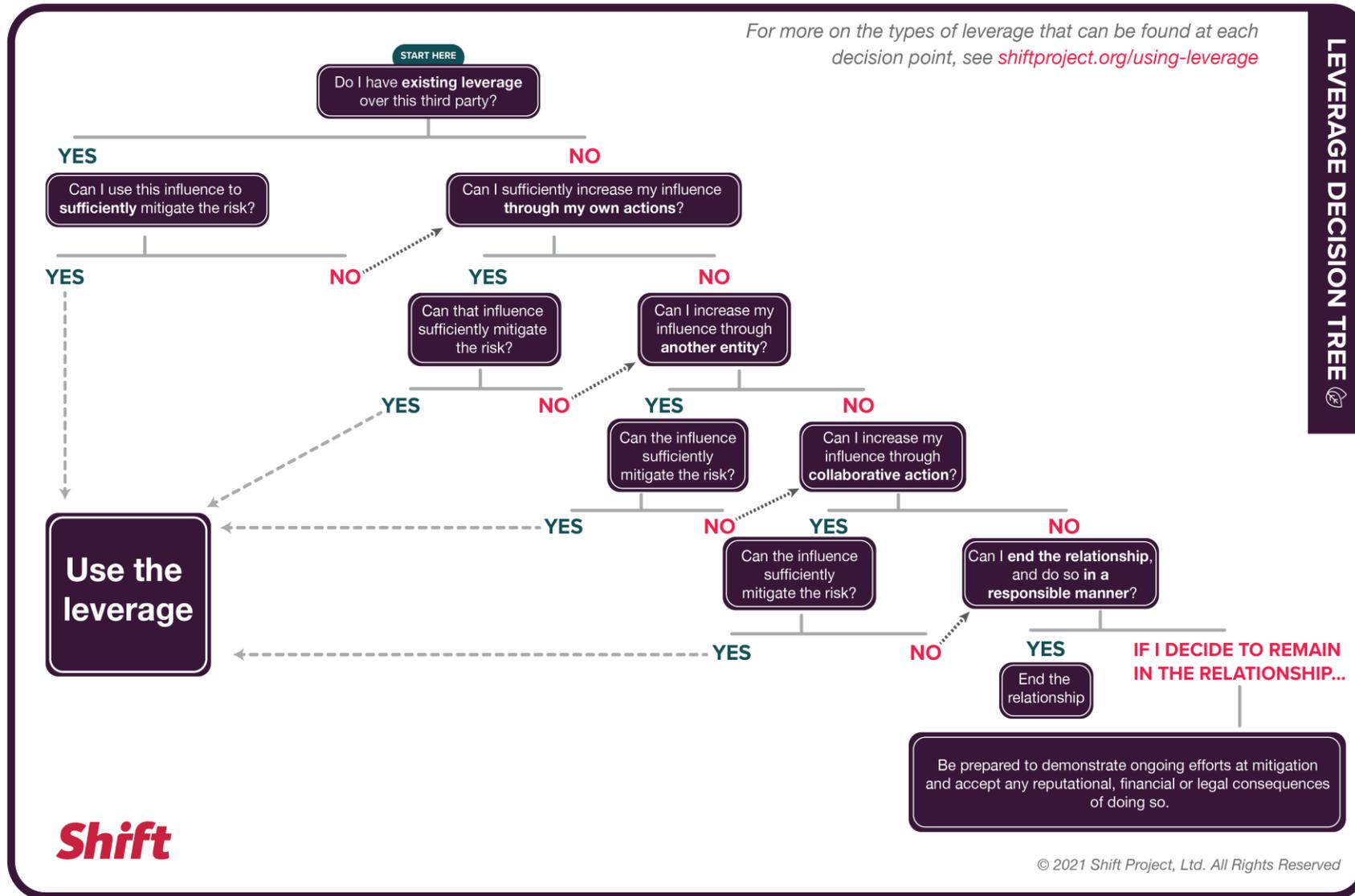
Panelists



Ashleigh Owens

Deputy Director, Financial Institutions
Lead & Senior Advisor at Shift Project

For more on the types of leverage that can be found at each decision point, see shiftproject.org/using-leverage





“Business leaders and investors need to ask this question honestly: what is their place in history if they continue to profit by cooperating with a government carrying out a campaign of genocidal repression? They can’t say they didn’t know.”

- Omer Kanat, UHRP Executive Director

Investor Action Plan



- Corporate Engagement with solar sector to be launched in Oct
- Investors can endorse Call to Action on forced labor - stop sourcing raw materials and inputs from the UR and participation in Uyghur government labor transfer schemes - Coalition to End Uyghur Forced Labor
- Need for collective action and engagement with other stakeholders, including policy makers, at a national, regional and international level

Resources



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Background Information

- [In Broad Daylight: Uyghur Forced Labour and Global Solar Supply](#) (Sheffield Hallam University)
- [Solar Industry Forced Labor Pledge](#) (SEIA)
- [US Department of Labor Adds Polysilicon from China to the 'List of Goods Produced by Child Labor or Forced Labor'](#) (U.S. Department of Labor)
- [DHS Issues WROs on Silica-Based Products Made with Forced Labor in Xinjiang](#) (U.S. Department of Homeland Security)
- [U.S. Commerce Department adds Chinese Companies to Entities list for Human Rights Abuses](#) (U.S. Department of Commerce)

Action Plan Materials

- [Investor Action on the Human Rights Crisis in the Uyghur Region](#) (Investor Alliance for Human Rights)
- [Call to Action](#) (Coalition to End Forced Labour in the Uyghur Region)
- [Human Rights Risks in Xinjiang Uyghur Autonomous Region - Practical Guidance for Investors](#) (Investor Alliance for Human Rights)

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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