

To: President von der Leyen European Commission Rue de la Loi / Wetstraat 200 1049 Brussels Belgium

By email: <u>ec-president-vdl@ec.europa.eu</u>

CC: Per Haugaard, European Commission Trade Adviser

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Dear President von der Leyen:

Cotton Campaign, an international coalition working to end state-imposed forced labour in Turkmenistan, welcomes the call for a forced labour ban by local, national and european politicians. A law prohibiting products made with forced labour from entering the European market is critical for pressuring the Government of Turkmenistan to reform its state-imposed forced labour system in cotton production.

We write as members of the Cotton Campaign, a coalition of international human and labour rights NGOs, brand and retail associations, responsible investor organisations, supply chain transparency groups, and academic partners, united to pressure the Government of Turkmenistan to end state-imposed forced and child labour in its cotton sector. We welcome with enthusiasm the recent statement by 291 MEPs and EU politicians to call upon the European Commission to introduce a law banning goods made with forced labour from entering the European market. As organisations with expertise on Turkmenistan, we call for this law to be designed meaningfully to make sure that it is effective to end corporate complicity in the abuses in Turkmenistan, and pressure the Government of Turkmenistan to end these practices.

The situation in Turkmenistan is one where there is clear urgency for an import ban. All products containing cotton originating in Turkmenistan are tainted by forced labour. Every year during the cotton harvest, the Government of Turkmenistan forces tens of thousands of public sector workers to pick cotton and extorts money from public employees to pay harvest expenses. The Government maintains total control of cotton production and forces farmers to meet official production quotas, under threat of penalty including loss of their

land. Furthermore, Turkmenistan has no independent civil society to report transparently and advocate for decent working conditions. This repressive system makes it impossible for brands and retailers to conduct any credible due diligence on the ground to prevent or remedy forced labour.

Through complex and opaque global supply chains, these products enter the European market. Global trade data¹ show that in 2020, the EU imported over €7,5 million worth of cotton and over €5 million worth of textiles directly from Turkmenistan. These figures exclude the products made with Turkmen cotton that entered the EU through different shipping routes within a sprawling cotton value chain. Research has shown that the Turkish textile manufacturing is a primary gateway for products made with Turkmen cotton². This puts EU textile and apparel companies′ supply chains at particular risk, as Turkey is the third-largest textiles supplier to the EU³ and 20% of Turkish exports to the EU are textiles⁴. Allowing Turkmen cotton products to be sold in the EU provides an unacceptable level of impunity for the Government of Turkmenistan and its state-imposed forced labour system.

We call upon the European Commission President von der Leyen to deliver on her commitment made on 15th September 2021 to introduce a law prohibiting products made with forced labour from entering the European market. Three months later, the Commission is yet to make public its plans for the introduction of import controls to block or seize products made with forced labour. Time is running out. This year again the Government forced tens of thousands of people to pick cotton under threat of punishment. Worse yet, the Government continued to extort money from state employees to pay for cotton pickers amidst the country's worsening economic crisis, which has largely been caused by a persistent denial of Covid-19 in the country. Any new shipment of cotton products made wholly or in-part in Turkmenistan is one too many and it is signalling that the Government of Turkmenistan can get away with forcing teachers, doctors, nurses, and government staff to leave their homes and spend weeks or months on end in the fields picking cotton, in hazardous conditions and with limited access to drinking water.

Furthermore, the introduction of import control measures will align efforts between the EU and the U.S. and Canada, where legislation banning products made with forced labour is already effective. This will ensure that Europe is not a safe haven for goods made using forced labour and will create a level playing field among all brands, retailers, and suppliers operating globally.

⁵ European Commission, 2021 State of the Union Address by President von der Leyen, https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_21_4701



¹ Made available through the UN Comtrade Database, https://comtrade.un.org/

² Anti-Slavery International (2019), Turkmen cotton and the risk of forced labour in global supply chains, https://www.antislavery.org/wp-content/uploads/2019/04/Turkmenistan-Turkey-report.pdf

³ European Commission, Textiles and clothing industries, International Trade,

 $[\]underline{https://ec.europa.eu/growth/sectors/fashion/textiles-and-clothing-industries/international-trade_en}$

⁴ European Commission (2021), European Union, Trade in goods with Turkey,

https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_turkey_en.pdf

The introduction of an import control mechanism for the European market is timely. The European Commission is expected to publish at the beginning of 2022 its Sustainable Corporate Governance proposal, which will include mandatory human rights and environmental due diligence legislation (EU mHREDD). This is expected to introduce a standard of conduct for companies to respect human rights and the environment in their value chains. The Cotton Campaign strongly advocates for a robust mHREDD law that requires companies to achieve full mapping, visibility and traceability of their cotton value chains. We believe that the forced labour ban should be designed to complement and reinforce accountability and enforcement actions to prevent and remediate forced labour.

In designing and enforcing the forced labour ban proposal, we put forward the following recommendations to ensure the forced labour ban is effective to take action against state-imposed forced labour in Turkmenistan:

- ➤ The import ban should cover all goods made in-whole or in-part with forced labour. It should be enforceable on a regional-basis, such as Turkmenistan, and also against specific or groups of entities, manufacturers, or importers.
- ➤ The EU should publicly recognise cotton goods originating in Turkmenistan or containing Turkmen cotton as goods produced with forced labour and ensure these products are covered in the scope of the import ban.
- ▶ The EU should liaise and coordinate with authorities in other jurisdictions i.e., Canada and the U.S. to share evidence, investigation processes and align enforcement procedures.
- ➤ The EU should consult with civil society organisations and experts in state-imposed forced labour and human rights due diligence, including Cotton Campaign and its Turkmen NGO partners, in the process of developing both the import ban and the EU mHREDD legislation.
- ➤ The mHREDD should require companies to map and publicly disclose subsidiaries, suppliers, sub-suppliers and business partners in their whole value chains. Mapping of supply chains is a prerequisite step for companies to identify the risk of cotton from Turkmenistan in their supply chains for example, to identify the sourcing practices of sub-suppliers.
- ▶ For the effectiveness of the import ban, the EU should also take steps to amend the Union Customs Code to ensure the transparency and public accessibility of customs data. This would enhance the efforts of civil society organisations to monitor the global supply chains, trace products made with forced labour, including Turkmen cotton, and strengthen the enforcement of an import ban and the upcoming EU mHREDD law.

We welcome the opportunity to discuss the situation in Turkmenistan and these recommendations with you.

Sincerely,

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Allison Gill, on behalf of the Cotton Campaign

