

RESPONSIBILITIES OF UNIVERSITY LICENSEES REGARDING FORCED LABOR IN THE XINJIANG UYGHUR AUTONOMOUS REGION OF CHINA

This document outlines the steps necessary for licensees to ensure that they comply with university codes regarding the unfolding human rights and forced labor crisis in the Xinjiang Uyghur Autonomous Region (“XUAR”) of China.

The Chinese government’s brutal repression of Uyghur and other Turkic and Muslim people in this region, increasingly understood by the world community as an act of genocide,¹ is embroiling apparel brands and retailers in a forced labor and human rights crisis. The Chinese government has rounded up an estimated 1 to 1.8 million Uyghurs and other Turkic and Muslim people in detention and forced labor camps,² the largest internment of an ethnic and religious minority since World War II. The abuses targeted at Uyghur and other Turkic and Muslim people—which include mass arbitrary detention, forced labor, pervasive surveillance, forced separation of families, and the compulsory sterilization of Uyghur women—are widely recognized to be crimes against humanity.³

Forced labor is a central element of the Chinese government’s strategy to subjugate the Uyghurs and other Turkic and Muslim people. Now ubiquitous in the XUAR, forced labor is occurring in extrajudicial internment camps, prisons, large industrial parks, village-based satellite factories, and cotton farms.⁴ Many of those factories and farms are growing cotton and spinning it into yarn that ends up in garments in the global garment industry, including university logo apparel. Indeed, the XUAR accounts for 84 percent of China’s cotton output, and 33 percent of US apparel imports come from China.⁵

The Chinese government is also involuntarily transporting Uyghurs and other Turkic and Muslim people from the XUAR to other parts of China, where they are put to work in factories under conditions that strongly indicate forced labor, broadening the risk of forced labor-made goods entering the supply chain for collegiate-licensed goods.⁶ Further implicating the global apparel industry in the human rights and forced labor crisis in the XUAR, several leading Chinese yarn and textile manufacturers, which have extensive ties to global brands, including some university licensees, are reportedly enmeshed in the Chinese government’s forced labor apparatus in the region.⁷ Prominent examples include Hong Kong-based Esquel Group and Chinese companies based outside of the XUAR, such as Huafu Fashion Co., Lu Thai Textile Co., Jinsheng Group (parent company of Litai Textiles/Xingshi), Youngor Group, and Shandong Ruyi Technology Group Co.⁸

Given the pervasiveness of these forms of state-sponsored forced labor in the XUAR and because the Chinese government’s vise-grip of repression makes it such that no worker can speak freely with respect to the conditions they are facing without risking harsh retaliation from the authorities, buyers’ ordinary supply chain due diligence mechanisms (social audits, factory certifications, etc.) cannot be relied upon in this context.⁹ As a result of all of these factors, licensees and other apparel brands and retailers have no other credible option than to presume that any cotton, yarn, fabric, and garments produced in the XUAR are products of forced labor.

University codes of conduct have, since their inception, prohibited the use of forced labor in university licensees' supply chains for the manufacture of collegiate-licensed goods, including not only the factories where these goods are assembled and finished but also all workplaces where the materials used in their manufacture are produced.¹⁰ With respect to the current crisis in the XUAR, licensees must undertake the actions listed below in order to ensure that they are not violating these standards by contributing to or benefitting from the forced labor of Uyghur and other Turkic and Muslim people from the XUAR in their collegiate supply chains.

COMPLIANCE MEASURES FOR UNIVERSITY LICENSEES TO ADDRESS FORCED LABOR IN THE XUAR

To avoid violations of university licensing standards concerning forced labor, all licensees must:

- (1) Move swiftly to ensure that they are not using, in the production of university-licensed goods, any finished products, fabric, yarn, cotton, or other material from the XUAR.

The WRC will ask licensees to demonstrate, via their supplier disclosure data (see (4) below), that their supply chains for collegiate goods are currently free from finished products from the XUAR, free from fabric, yarn, or other materials from the XUAR within six (6) months, and are free from cotton from the XUAR within 12 months.

- (2) Immediately end relationships, for the production of collegiate goods, with companies implicated in forced labor in the XUAR, specifically, those firms that have operations in that region and have accepted government subsidies and/or government-supplied labor at these operations, including such firms as: **Esquel Group, Huafu Fashion Co., Lu Thai Textile Co., Jinsheng Group, Youngor Group, and Shandong Ruyi Technology Group Co.**

These companies should not be utilized in licensees' supply chains for collegiate goods at any stage of the production process, from manufacturing of finished goods and cloth to provision of yarn or ginned or raw cotton.

- (3) Immediately instruct their collegiate suppliers in China that are located outside of the XUAR to cease or refrain from using labor from the XUAR supplied via the Chinese government's forced labor transfer scheme.

Again, labor from the XUAR that is supplied via the Chinese government should not be utilized in the production of collegiate goods at any tier of the supply chain, from manufacturing of finished goods and cloth to provision of yarn or ginned or raw cotton.

- (4) Determine and disclose the identities of all entities located within China that are utilized in the production or procurement of materials or components for any collegiate licensed cotton garments, including facilities involved in dyeing, finishing, knitting, spinning, and weaving, as well as suppliers and processors of raw material.

The WRC will be working with licensing agents to assist licensees with meeting the technical requirements of this disclosure measure, in order to enable licensees to demonstrate compliance with this measure and with measure (1) above within the requested timeline.

FAQ:

1. Are these new requirements for licensees under university codes of conduct?

No. University codes of conduct already prohibit use of forced labor and require disclosure of suppliers for production of collegiate goods, at all tiers of the supply chain.¹¹ The measures above are steps that are necessary *in order to comply with existing requirements* under university codes of conduct in light of the unprecedented situation that now exists in relation to forced labor in the XUAR.

2. What if these some of these steps will be harder for my company to implement than they will be for other licensees?

The WRC recognizes that, for some licensees, implementing some of these steps may require first obtaining greater visibility into upstream sources of cotton and yarn. The six-month and 12-month timelines by which we are requesting licensees to implement these steps in relation to suppliers of fabric and yarn, and suppliers of cotton, respectively, recognize that different licensees are differently situated in this regard and that, while some licensees will be able to complete these steps in short order, for others a lengthier process will be involved.

3. What if my company does not do any direct sourcing and just purchases blank goods from vendors or distributors?

Licensees that do not source directly from manufacturers (either through their own personnel or a buying agent) but, instead, purchase finished blank goods from third-party vendors or distributors, should obtain assurance from such vendors or distributors, with respect to the blank goods the licensee purchases for use in collegiate products, that they:

- Have taken measures (1), (2), and (3), as listed in the box above; and
- Will provide the licensee with the supplier disclosure data necessary for the licensee to comply with measure (4) in the box above.

Conclusion

With respect to all of the compliance measures listed above, the need for meaningful and decisive action by university licensees is clear. The forced labor crisis in the XUAR implicates the global apparel industry in one of the worst cases of labor and human rights abuse in the world today. Compliance with the standards that universities have established for production of the goods that bear their names requires that licensees ensure that their supply chains for these products do not run through or are otherwise associated with the appalling abuses now being carried out in the XUAR.

Please advise us if your company has questions about or is not prepared to take the necessary compliance measures that are listed in the box above. Thanks in advance for your cooperation.

Notes

1. “What’s Happening in Xinjiang Is Genocide,” *Washington Post*, July 6, 2020, https://www.washingtonpost.com/opinions/global-opinions/whats-happening-in-xinjiang-is-genocide/2020/07/06/cde3f9da-bfaa-11ea-9fdd-b7ac6b051dc8_story.html.
2. Luke Adams, Steve Andrews, Scott Flipse, Megan Fluker, and Amy Reger, *Staff Research Report: Global Supply Chains, Forced Labor, and the Xinjiang Uyghur Autonomous Region*, Congressional-Executive Commission on China, March 2020, <https://www.cecc.gov/sites/chinacommission.house.gov/files/documents/CECC%20Staff%20Report%20March%202020%20%20Global%20Supply%20Chains%2C%20Forced%20Labor%2C%20and%20the%20Xinjiang%20Uyghur%20Autonomous%20Region.pdf>; Adrian Zenz, “‘Wash Brains, Cleanse Hearts’: Evidence from Chinese Government Documents about the Nature and Extent of Xinjiang’s Extrajudicial Internment Campaign,” *Journal of Political Risk* 7, no. 11, November 2019, <https://www.jpolrisk.com/wash-brains-cleanse-hearts/>; Fergus Ryan, Danielle Cave, and Nathan Ruser, “Mapping Xinjiang’s ‘Re-education’ Camps,” Australian Strategic Policy Institute, November 1, 2018, <https://www.aspi.org.au/report/mapping-xinjiangs-re-education-camps>; Human Rights Watch, *World Report 2019: Events of 2018: China*, 2019, <https://www.hrw.org/world-report/2019/country-chapters/china-and-tibet>.
3. Bethany Allen-Ebrahimian, “Exposed: China’s Operating Manuals for Mass Internment and Arrest by Algorithm,” *International Consortium of Investigative Journalists*, November 24, 2019, <https://www.icij.org/investigations/china-cables/exposed-chinas-operating-manuals-for-mass-internment-and-arrest-by-algorithm/>; Human Rights Watch, *How Mass Surveillance Works in Xinjiang, China*, May 2, 2019, <https://www.hrw.org/video-photos/interactive/2019/05/02/china-how-mass-surveillance-works-xinjiang>; Austin Ramzy and Chris Buckley, “‘Absolutely No Mercy’: Leaked Files Expose How China Organized Mass Detentions of Muslims,” *The New York Times*, November 16, 2019, <https://www.nytimes.com/interactive/2019/11/16/world/%20asia/china-xinjiang-documents.html>; Human Rights Watch, *China: Xinjiang Children Separated from Families*, September 15, 2019, <https://www.hrw.org/news/2019/09/15/china-xinjiang-children-separated-families>; “China Cuts Uighur Births with IUDs, Abortion, Sterilization,” *Associated Press*, June 29, 2020, <https://apnews.com/269b3de1af34e17c1941a514f78d764c>; Naomi Kikoler, “Simon-Skjodt Center Director Delivers Remarks on China’s Systematic Persecution of Uyghurs,” United States Holocaust Memorial Museum, March 5, 2020, <https://www.ushmm.org/genocide-prevention/blog/simon-skjodt-center-director-delivers-remarks-on-chinas-systematic-persecut>.
4. Adrian Zenz, “Beyond the Camps: Beijing’s Long-Term Scheme of Coercive Labor, Poverty Alleviation and Social Control in Xinjiang,” *Journal of Political Risk* 7, no. 12, December 2019, <https://www.jpolrisk.com/beyond-the-camps-beijings-long-term-scheme-of-coercive-labor-poverty-alleviation-and-social-control-in-xinjiang/>; Amy K. Lehr and Mariefaye Bechrakis, *Connecting the Dots in Xinjiang: Forced Labor, Forced Assimilation, and Western Supply Chains*, Center for Strategic International Studies, October 2019, https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/Lehr_ConnectingDotsXinjiang_interior_v3_FULL_WEB.pdf; Lianchao Han, David Wong, Amelia Dewell, and Anna Chen, *Cotton: The Fabric Full of Lies: A report on forced labor and prison labor in Xinjiang, China, and the nexus to global supply chains* (Washington, DC: Citizen Press, 2019).
5. US Department of State, US Department of the Treasury, US Department of Commerce, and US Department of Homeland Security, *Risks and Considerations for Businesses with Supply Chain Exposure to Entities Engaged in Forced Labor and other Human Rights Abuses in Xinjiang*, July 1, 2020, https://www.state.gov/wp-content/uploads/2020/07/Xinjiang-Supply-Chain-Business-Advisory_FINAL_For-508-508.pdf; Sheng Lu, *China’s Changing Role in the World Textile and Apparel Supply Chain*, November 2, 2018, <https://shenglufashion.com/2018/11/02/chinas-changing-role-in-the-world-textile-and-apparel-supply-chain/>.

6. Vicky Xiuzhong Xu, Danielle Cave, James Leibold, Kelsey Munro, and Nathan Ruser, *Uyghurs for Sale: 'Re-education', Forced Labour and Surveillance beyond Xinjiang*, Australian Strategic Policy Institute, March 1, 2020, <https://www.aspi.org.au/report/uyghurs-sale>.

7. Lehr and Bechrakis, *Connecting the Dots in Xinjiang*; Adams, et al., *Staff Research Report*; Zenz, "Beyond the Camps".

8. Esquel Group, Huaifu Fashion Company, and Litai Textiles are listed as companies suspected of using forced labor in Adams, et al., *Staff Research Report*. The same three companies are also cited in H.R. 6210—Uyghur Forced Labor Prevention Act, a bill introduced in March 2020, as companies that "are or have been suspected of directly employing forced labor or sourcing from suppliers that are suspected of using forced labor," 116th Congress, March 11, 2020, <https://www.congress.gov/bill/116th-congress/house-bill/6210/text?r=7&s=1>. Esquel Group, in particular, has denied using forced labor at its facilities in the XUAR, citing, *inter alia*, a 2019 report it commissioned from the social auditing firm, Elevate. Esquel, letter to Worker Rights Consortium and attachments, July 21, 2020 (on file with WRC). However, since Esquel's denials do not even acknowledge that there *is* a problem of widespread forced labor in the XUAR, they cannot be viewed as credible. Moreover, Elevate has since agreed to suspend all social audits in the XUAR in recognition of the impossibility of reaching credible determinations of absence of forced labor at factories in the region. Worker Rights Consortium, telephone and email communications with Elevate, March 10–16, 2020 (records on file with WRC).

9. Lehr and Bechrakis, *Connecting the Dots in Xinjiang*; US Departments of State, Treasury, Commerce, and Homeland Security, *Risks and Considerations*; Adrian Zenz and Scott Nova, "A Letter regarding Xinjiang from Adrian Zenz and Scott Nova," March 9, 2020, <https://www.workersrights.org/wp-content/uploads/2020/03/A-Letter-regarding-Xinjiang-from-Adrian-Zenz-and-Scott-Nova.pdf>.

10. CLC, "Special Agreement Regarding Labor Codes of Conduct," Sched. I, Sec. II.B.5 ("Forced Labor: There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.") and Rider I ("Each Licensee shall disclose ... each factory used in the production of all items which bear Licensed Indicia.""). It should also be noted that US law prohibits importation of goods produced using forced labor. 19 U.S.C. Sec. 1307 ("All goods ... produced, or manufactured wholly or in part in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited....").

11. CLC, "Special Agreement Regarding Labor Codes of Conduct," Sched. I, Sec. II.B.5 ("Forced Labor") and Rider I ("Full Public Disclosure").