



Sourcing Yarn, Fabric, or Finished Goods from Uzbekistan

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After years of intense policy advocacy and campaigning led by Uzbek and international civil society, combined with the government's political will, state-imposed forced labor is no longer used in the harvest of Uzbek cotton.

Uzbekistan now seeks to establish itself in the global market, which provides a unique chance for international brands, local suppliers, and labor to work together to set high standards for the emerging industry.

What is the opportunity for brands?

The Cotton Campaign lifted the Uzbek Cotton Pledge on **March 10, 2022**. The Pledge was signed by over 300 brands that committed to not source Uzbek cotton as long as it was produced with forced labor. The Pledge was lifted as a result of independent civil society monitoring finding no state-imposed forced labor during the 2021 cotton harvest.

Uzbekistan has developed a vertically integrated textile industry. Supplier textile companies (known as "clusters") control multiple aspects of the textile value chain, from cotton growing, harvesting, and ginning, through to manufacturing of finished goods. This offers buyers **unprecedented opportunities for full visibility and traceability** of cotton supply chains, to the raw material level.

Brands have the chance to create a new kind of supply chain, with full transparency, traceability, and accountability for labor rights.

What are the challenges for sourcing from Uzbekistan?

Despite reforms that ended state-imposed forced labor, human rights risks remain in the Uzbek cotton industry.

- › The government continues to exert control of the cotton harvest and de facto production targets for individual districts persist. This creates risks for coercion, in particular in districts with insufficient voluntary labor.
- › Low capacity for independent monitoring, exacerbated by continuing restrictions on independent groups to register and operate.
- › There are no independent trade unions, democratically elected, or representative workers' organizations, or farmers' organizations.
- › A lack of mechanisms at the clusters to prevent, identify, and address forced labor or labor exploitation at all stages of production.
- › Farmers are vulnerable to exploitation by the clusters they produce cotton for. In 2022, thousands of farmers were reportedly forced to sign blank contracts with no guaranteed minimum price, but often with inflated production targets.
- › Farmers continue to be at risk of illegal land confiscations.
- › New legislation has imposed government interference and oversight over NGO projects that receive foreign funding.

The vertical integration of the Uzbek supply chain requires brands to **conduct human rights due diligence** to identify, prevent, mitigate, and account for adverse human rights impacts at all levels of production, including the cotton farms, spinners, fabric mills, and cut-make-trim units.

But given the remaining risks, achieving this as an individual company would be a real challenge. For this reason, the Cotton Campaign launched its Framework for Responsible Sourcing, so that brands, clusters, and labor can work collaboratively to establish and maintain strong labor standards in the Uzbek industry.



Different production stages at Uzbek clusters. Uzbekistan has developed a vertically integrated textile industry.

The Cotton Campaign Framework for Responsible Sourcing

Through the Framework, companies and their suppliers can begin responsibly sourcing yarn, fabric, or finished goods from Uzbekistan.

The Framework establishes **robust mechanisms for monitoring, capacity building, grievance and remedy, accountability, and traceability** for sourcing consistent with the UNGPs, the OECD Guidelines, and national laws governing human rights due diligence, supply chains, and imports.

Through these mechanisms, the ongoing human rights risks will be addressed at the producers that the brands or their suppliers begin working with.

How will the Framework be implemented in practice?

From Q1 of 2023, the Cotton Campaign aims to implement a pilot program on labor rights and traceability at a selection of Uzbek producers, that would lay the foundation for the full roll-out of the Framework.

The pilot program will provide brands with the opportunity to:

- › **Place test orders at suppliers** to examine the quality of the products and review lead times, while working with the Cotton Campaign and the suppliers to build capacity towards monitoring, training, and reporting with a view to establishing sourcing relationships. This will provide assurances that immediate labor rights risks are identified, prevented, and mitigated.
- › Work with the Cotton Campaign to **create a pool of spinning and fabric mills** that would receive training on labor rights and traceability, which participating brands can nominate to become part of their supply chains.

What are the next steps for implementing the pilot program?

For more information, including timelines and proposed brand fees, please contact:

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To end forced labor and promote decent work for cotton workers in Central Asia