

To: VDMA

Karl Haeusgen, President: oliver.richtberg@vdma.org (Consultant Executive Directorate); Ulrich Ackermann, Managing Director Foreign Trade: ulrich.ackermann@vdma.org; Dr. Frank Bünting, Deputy Head of Business Advisory: frank.buenting@vdma.org;

Monika Hollacher, Consultant Foreign Trade Department - Russia, Central Asia, Eastern Europe,

South-East-Asia: monika.hollacher@vdma.org;

June 20, 2023

Subject: Request to cut ties with the textile industry in Turkmenistan because cotton originating in Turkmenistan is produced with state-imposed forced labor

Dear Mr. Haeusgen, Mr. Ackermann, Mr. Bünting, and Ms. Hollacher:

I write to you on behalf of the <u>Cotton Campaign</u>, a global coalition against forced labor in cotton production in Central Asia, to raise serious concerns about your organization co-hosting the <u>Turkmenistan Business Day</u> on June 27, 2023, in Düsseldorf, and encouraging German investments in the textile industry of Turkmenistan.

All cotton in Turkmenistan is <u>produced in a state-imposed forced labor system</u>, under strict and full control by the government of Turkmenistan. Sourcing cotton products from suppliers in Turkmenistan or from suppliers in third countries that use Turkmen cotton in the manufacturing of these products is in violation of the <u>German Supply Chain Act</u>. The imports and sale of products made with forced labor will <u>soon be banned across the whole EU</u> and are already banned in the US, where there is a Withhold Release Order <u>specifically against Turkmen cotton</u>, and <u>Canada</u>.

The government of Turkmenistan <u>exerts control over all aspects of public life</u> and <u>severely represses all civic freedoms</u>, which are crucial to combating forced labor. For this reason, it is impossible for international companies to conduct any credible due diligence on the ground to prevent or remedy forced labor in cotton and more broadly, to address labor abuses in any sector in Turkmenistan, including gas and oil. The appropriate risk mitigation strategy for textile companies is to map out their entire textile supply chains, down to the raw material level, and eliminate all cotton originating in Turkmenistan.

We request that you and your co-sponsors of the Turkmenistan Business Day <u>cancel this event</u> and take immediate steps to prevent—instead of promoting—any investments from German businesses and government in the textile industry of Turkmenistan. You should use your engagement with Turkmen stakeholders to pressure the government of Turkmenistan to end its forced labor system.

A similar communication has been sent to the other co-sponsors of the Turkmenistan Business Day: Commit Group, WE! - The Foreign Traders, BVMW, German-Turkmen Forum, IHK, and Eastern Committee of German Business (OA). We request a response to this letter within three working days, by COB Thursday, June 22, 2023.

State-imposed forced labor in the production of Turkmen cotton

Turkmenistan, one of the most <u>closed and repressive countries</u> in the world, uses government-imposed, systematic forced labor to harvest cotton, in violation of ILO Abolition of Forced Labour Convention 1957 (No. 105) and other human and labor rights international standards. <u>Reports</u> by independentTurkmen human rights groups <u>Turkmen.news</u> and the <u>Turkmen Initiative for Human Rights</u> show that during the annual harvest, the Turkmen government forces tens of thousands of public sector workers, including employees of schools and hospitals, to pick cotton or pay for replacement pickers under threat of penalty, such as loss of employment.

The government of Turkmenistan also has total control of the cotton production system, which relies on the exploitation of farmers. Every year, the government imposes cotton production quotas on farmers and enforces them with the threat of penalty, including fines and loss of land.

All cotton in Turkmenistan is produced within this forced labor system and Turkmenistan does not import cotton. Therefore, all cotton or cotton goods of Turkmen origin or containing Turkmen cotton are produced with forced labor.

Risk of forced labor Turkmen cotton entering the German brands' global supply chains through third countries

Brands and retailers face the risk of cotton made with state-imposed forced labor in Turkmenistan entering their cotton supply chains <u>at all stages of production</u>. Suppliers in third countries, in particular Turkey, but also Pakistan and Italy, use cotton, yarn, and fabric originating in Turkmenistan.

Because the government of Turkmenistan maintains total control of cotton production and uses systematic state-imposed forced labor to harvest cotton, brands and retailers cannot prevent or remediate forced labor in the country. For this reason, the appropriate risk mitigation strategy is to map out their entire textile supply chains, down to the raw material level, and eliminate all cotton originating in Turkmenistan.

The Cotton Campaign requests that you immediately take the following steps:

With respect to your Turkmen stakeholders:

- Cut ties with the textile industry in Turkmenistan and do not encourage German investments in the Turkmen textile industry as long as cotton in Turkmenistan is harvested with state-imposed forced labor.
- 2. Pressure the government of Turkmenistan to end its forced labor system.
- Inform the textile industry actors in Turkmenistan that under national laws governing human rights due diligence, supply chains, and imports global companies are prohibited from sourcing products made with forced labor.

With respect to your members and partners among German businesses:

4. Publicly recognize on your website that cotton goods originating in Turkmenistan or containing Turkmen cotton are produced with state-imposed forced labor.

- 5. Require all your company clients/members to terminate sourcing relationships and other business partnerships with any textile suppliers in Turkmenistan.
- 6. Recommend that all your brand clients/members sign the <u>Turkmen Cotton Pledge</u> and publicly commit to not using Turkmen cotton in their products as long as it is produced with state-imposed forced labor.
- 7. Require all your brand clients/members to establish a legally-binding policy that prohibits the use of cotton from Turkmenistan and require all their spinning and fabric mills to implement the same policy.
- 8. Require all your brand clients/members to publish all suppliers in their textile supply chains, including and going beyond Tiers 1 and 2.
- 9. Take steps yourself, and encourage your clients/members to take steps, to remediate harms caused by selling goods or promoting the sale of goods produced with forced labor in Turkmenistan, including by publicly condemning trade in these goods, and engaging with the Cotton Campaign to support efforts to end forced labor in Turkmenistan.

We respectfully request confirmation of receipt within three working days, by COB Thursday, June 22, 2023; and a detailed response by Tuesday, July 4, with the steps you have taken to address measures 1-4 outlined above and a time-bound plan to implement measures 5-9. We also welcome the opportunity to meet with you promptly to discuss these matters.

Sincerely,

Raluca Dumitrescu Cotton Campaign Coordinator | GLJ – ILRF