



To the attention of Karl Haeusgen, President
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July 25, 2023

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

Dear Mr. Haeusgen:

Thank you for your communication dated July 12, 2023, in response to our letter from June 20, 2023. While we appreciate your commitment to support the scope of laws designed to end child and forced labor, we express deep concern about your approach to the situation in Turkmenistan.

All cotton originating in Turkmenistan is [produced by the state with the systematic and widespread forced labor](#) of hundreds of thousands of teachers, healthcare workers, other state employees, and sometimes children. There is a well-documented record of reporting and communication from international expert bodies, finding that Turkmenistan has made insufficient progress to end its state-imposed forced labor system in cotton, including from [the ILO Committee on the Application of Standards](#) and the [UN Human Rights Committee](#).

Turkmenistan does not import cotton, which means that all cotton used in the textile industry in Turkmenistan is produced with state-imposed forced labor.

Doing business with the textile industry in Turkmenistan and providing machinery and equipment to cotton ginneries, spinning mills, fabrics mills, sewing units, and other production units in the textile manufacturing industry of Turkmenistan plays a major role in supporting the state-imposed forced labor system in cotton production.

1. The German companies that sell machines and equipment for usage in the Turkmen textile industry benefit from the forced labor system.

2. They also support the perpetuation of the forced labor system and, by facilitating the production of forced labor Turkmen cotton into finished and semi-finished products, they facilitate Turkmen cotton entering global supply chains, in violation of import ban regulations and legal and ethical obligations on companies not to use goods made with forced labor.

For this reason, you should require your members to end business relationships with Turkmenistan's textile industry. Instead, you should use your engagement with Turkmen stakeholders to pressure the government of Turkmenistan to end its forced labor system.

In accordance with the [OECD Due Diligence Guidance for Responsible Business Conduct](#) and the [UN Guiding Principles on Business and Human Rights](#), when entering new markets, companies must identify and assess actual and potential adverse impacts associated with their operations, products, and services. A robust due diligence process requires conducting a risk assessment associated with all business relationships the company has. In the case of Turkmenistan, there is [extensive evidence](#), documented over more than a decade by independent labor monitors, that the government uses state-imposed forced labor to harvest cotton. To avoid benefitting or profiting from forced labor, German companies should not enter into business relationships with Turkmen textile producers and should terminate any such existing relationships.

While the OECD standards encourage lead firms to work with suppliers towards continuous improvement, the standards also account for situations where mitigation is not feasible or because of the severity of the adverse impact, where the only responsible course of action is disengagement, such as contexts of state-imposed forced labor. This is due to the inability to conduct due diligence on the ground and the fact that no company has or will have enough leverage to work towards any improvement in practice. In situations of state-imposed forced labor, such as in Turkmenistan, businesses are unable to prevent or mitigate human rights abuses. There are no valid means for companies to verify that any cotton picked in Turkmenistan is free of forced labor, nor can companies take action to prevent the use of forced labor in the Turkmen cotton harvest. Companies cannot even enter the country to conduct their own due diligence.

Even if companies could, theoretically, interview workers, worker interviews, which are essential to the methodology of any labor or human rights investigation, cannot generate reliable information in state-imposed forced labor contexts. No worker can speak candidly to auditors or investigators about forced labor or other human rights issues without placing themselves and their families at risk of brutal retaliation. Furthermore, meaningful remedy for directly affected individuals is not possible. Therefore, in such cases, urgent disengagement is the only responsible way to ensure businesses do not contribute to such abuses. We further note that these disengagement standards are included in the [amendments adopted](#) by the European Parliament on the EU's proposed Corporate Sustainability Due Diligence Directive, which extends due diligence obligations, including regarding disengagement, across a company's full value chain.

In your letter, you noted that *"the European Union supports economic cooperation with the country and regularly reviews the human rights situation in direct talks with Turkmenistan"*. We would like to bring to your attention that the European Parliament has not approved the EU-Turkmenistan Partnership and Cooperation Agreement (PCA) because of strong concerns about human rights violations committed by the government of Turkmenistan. In 2019, the Parliament adopted [a resolution](#) setting out concrete human

rights benchmarks that it expects to see sustainable progress on by Turkmenistan before giving its consent to the PCA.

Furthermore, the EU report of the [EU-Turkmenistan Human Rights Dialogue](#) from 2022 shows that state-imposed forced labor is ongoing in the cotton harvest in Turkmenistan and despite the government accepting to begin engagement with the ILO, the [ILO Committee on the Application of Standards' Conclusions](#) issued in July 2023 note that the Committee *"deplored the persistence of the widespread use of forced labor in relation to the annual state-sponsored cotton harvest in Turkmenistan and the Government's failure to make any meaningful progress on the matter since the Committee discussed the case in 2016."*

Finally, we underscore that supporting the textile industry in Turkmenistan, and therefore the perpetuation of the state-imposed forced labor system in Turkmen cotton, undermines all the efforts by responsible companies and investors, policy makers, enforcement agencies, and civil society to take action to eliminate Turkmen cotton from supply chains and to increase the pressure on the government of Turkmenistan to end its forced labor system. Collective and consistent action by companies, civil society, international organizations, and governments played a critical role in pressuring the government of Uzbekistan to [end the forced labor system there](#).

We are in communication with the Federal Ministry for Economic Cooperation and Development, whom you note encouraged you to develop business relationships with Turkmenistan's textile industry, and are conveying the same messaging as in this letter to you.

We would welcome the opportunity to meet with you—and your members— to discuss these matters.

Sincerely,

Raluca Dumitrescu
Cotton Campaign Coordinator | GLJ - ILRF