

HUMAN RIGHTS RISKS BEHIND ELECTRIC BUSES IN SWEDISH PUBLIC TRANSPORTATION

An Industry Issue for Collaboration

INTRODUCTION
AND
SUMMARY



This report has been produced by ETI Sweden in collaboration with Storstockholms Lokaltrafik (SL), Västtrafik, Skånetrafiken, and Luleå Lokaltrafik, who have also provided financial support. The review was conducted by Globalworks.

- **Storstockholms Lokaltrafik (SL)** is responsible for the public transport in Region Stockholm. www.sl.se
- **Västtrafik** is responsible for the public transport in West Sweden and is owned by the region Västra Götaland. www.vasttrafik.se
- **Skånetrafiken** is an entity within Region Skåne in the South of Sweden. www.skanetrafik.se
- **Luleå Lokaltrafik AB (LLT)** is responsible for, plans and carries out public transport in Luleå city and is owned by Luleå Municipality. www.llt.lulea.se
- **Globalworks Lund AB** is an independent not-for-profit enterprise based in Sweden. Globalworks' mission is to shed light on labour rights and human rights violations by collecting workers' online voices and grievances. www.socialatrisk.com.
- **Ethical Trading Initiative Sweden** is a multi-stakeholder initiative bringing together Swedish companies, trade unions, civil society and public sector to strengthen workers' rights and human rights in global supply chains. ETI Sweden receives financial support from Sida. Sida is not responsible for the content in this report. www.etisweden.se



DISCLAIMER

While we have made every effort to assure a high degree of accuracy, rigor, and quality in the content of this report, neither ETI Sweden nor Globalworks can guarantee the correctness and authenticity of the documents that are used in this study. Any use of this report or the material and information linked to it shall be at your own risk and neither ETI Sweden nor Globalworks shall be held liable.

Layout: Birgersson&Co / Åse Bengtsson Helin
Cover photo: Gustav Kaiser
Publisher: Henrik Lindholm
ISBN: 978-91-527-8499-0
October 2023

Foreword	/ 4
Executive Summary	/ 5
Recommendations	/ 8
Context	/ 10
Supply Chain Map	/ 15
Notes	/ 16

Foreword

In order to achieve Sweden's climate goals for the transportation sector, a large-scale transition to an electric vehicle fleet is required. In this transition, we are faced with new sustainability challenges, from mineral extraction for batteries to the production of electric vehicles as a whole. Ensuring that this transition occurs sustainably is of paramount importance to us, as public transport authorities. As a result, we have identified a need for increased knowledge regarding sustainability risks and how to manage them within complex supply chains.

We believe that working together is key to success in addressing these issues. Through our membership in ETI Sweden and the working group we have formed, we have strengthened our capabilities to tackle these challenges.

This report has been developed to raise awareness of risks related to human rights violations within our shared supply chains and to enable us to address these risks effectively. As public procurers, we have a common code of conduct for suppliers that is also part of our transport contracts. This is to ensure responsible procurement of products and services that contribute to an environmentally, socially, and economically sustainable society. However, it is not enough to simply set requirements; the compliance with these requirements also needs to be monitored. In the monitoring process, developing a clear risk assessment is crucial to drive the work forward with the right priorities.

The report is a vital component of our ambition to gain an understanding of sustainability risks within our shared supply chains. We hope that the results will contribute to a continued constructive dialogue and proactive efforts within our entire industry regarding risks of labour and human rights violations within complex supply chains.

October 2023

Storstockholms Lokaltrafik
Västrafik
Skånetrafiken
Luleå Lokaltrafik

Executive Summary

This report provides new insights into the situation of workers in the electric vehicle manufacturing industry in China. Information about labour rights violations come from workers' social media posts. Furthermore, Chinese Government and Party documents bear witness to the industry's involvement in state-sanctioned forced labor. The material and methods used in this report make it possible to investigate labour and human rights risks in a closed and repressive environment.

The first chapter of the report on working conditions at battery- and electric bus manufacturing factories is based on workers in social media. The second chapter presents information from official social media accounts and webpages of Government authorities and Party organizations at the national, provincial, and municipal level substantiating links between state-sanctioned forced labour and the electric vehicle supply chain.

The investigations were conducted in 2022 by Lund-based Globalworks, which developed Social@risk™, a framework for text-based big data analysis. The investigations were made on behalf of the Public Transport Authorities (PTAs) Storstockholms Lokaltrafik (SL), Västtrafik, and Skånetrafiken. All are members of the ETI Sweden Working Group for Electric Vehicles. Luleå Lokaltrafik (LLT) joined the group during the course of the work. The aim was to gain an understanding of the human rights risks in the supply chain and provide a foundation for demands in public procurement of battery-powered bus transport.

The results indicate connections to forced labour and extensive risks of poor working conditions in factories manufacturing batteries and electric buses for Swedish public transport.

The selected companies examined are the Chinese suppliers indicated by bidders to the public transport authorities in 2022, namely the battery and electric bus manufacturer Build Your Dreams (BYD), the electric bus manufacturer Yutong, as well as the six battery manufacturers CATL, Durapower, LG Chem, Panasonic, Samsung och SK Innovation.

Findings on Working Conditions

The examination of workers' complaints is based on 1.12 million posts extracted and analyzed for qualitative content analysis and quantitative trend analysis. The posts concern forced labour, systematic exploitation of interns, discrimination, excessive overtime, low pay, deductions and arrears, hazardous working conditions and poor living conditions, unethical recruitment, as well as restricted trade union rights.

Research in this report suggests that battery and electric bus manufacturers' reliance on minerals and energy involves the state-owned sector and, as a result, constitutes a major entry point for severe human rights violations.

Child Labour Through Internships

Work that is harmful to children's physical and/or mental development. The investigation reveals a concerning prevalence of child labour in China, particularly through internships within the vocational education system. Internships are highly regulated to protect minors' health and ensure educational quality. In practice, however, students must endure long working days, low wages, and poor working conditions. Interns feel trapped and cannot resign without risking consequences.

Discrimination In Recruitment

Rights violations are applied systematically to (vulnerable) worker groups, and recruitment is based on discriminatory criteria. Discrimination has been identified in wage disparities between different groups (see child labour above) and in the recruitment of workers. Among 1,820 job advertisements related to battery and car manufacturers, age discrimination was the most common. Young workers are preferred, but discrimination based on gender and ethnicity also occurs.

Forced Labour as a Practice in Factories

Administrative obstacles to resignation, penalties for resignation, non-wage payment for the last month. Workers testify that they have been forced to continue working despite resigning. Employers refer to quota systems, according to which only a certain percentage of employees are allowed to quit during a period. Workers state that they didn't get their wages after they left without the employer's approval. Without formal resignation, it is difficult for migrant workers to transfer their social security registration to their next employer.

Illegal Trade Union Organizing

Workers are prevented, with threats and coercion, from voicing grievances and organizing their interests. The only permitted trade union in China is the state-controlled ACFTU. Despite free trade unions being illegal, protests have occurred. In recent years, however, state repression against workers, activists, and lawyers has increased. This has also been the case in the electric vehicle supply chain, where the number of strikes has decreased as a result.

Low Wages and Unreasonable Deductions

Workers are not paid wages in part or in full. The gap has increased between the actual wage and a wage that allows for a decent standard of living. It is common for employees to receive unreasonable deductions when taking leave or in connection with termination. Wage deductions are also used as a form of punishment. Additionally, employees often do not receive the overtime pay they are entitled to according to Chinese Labour Law, and wages are not paid on time.

Unethical Recruitment

Workers are not fully and correctly informed about working conditions, and dispatch labour contracts are strategically used to disadvantage workers. Workers recruited to the factory are often not properly informed about the benefits that are included in their employment. Since employees and labour agents receive bonuses for recruiting new workers, they may exaggerate wage benefits so that newly hired sign contracts with a distorted idea about their real income and work load. New employees may also be forced to pay part of the recruitment costs.

Lack of Health and Safety

Exposure to physical and psychological health risks. Insufficient health protection. Many of the workers' complaints relate to exposure to both physical and mental health risks, including long working days for many consecutive days without rest, leading to exhaustion. Problems with high work pressure and poor working conditions have been publicly debated in China, partly due to several suicides at BYD (2021) and CATL (2022).

Extreme Overtime and Low Overtime Pay

Workers work too many hours and/or do not get overtime pay. Workers report working more than 110 overtime hours per month, significantly exceeding the legal limit of 36 hours. Overtime pay should be 1.5 times the regular wage, but according to testimonies, many are forced to work overtime without receiving overtime pay. Dissatisfaction with how employers handle overtime is among the most common complaints.

Poor Living Conditions

The conditions in the dormitories are stressful and unhygienic. Workers often live in dormitories where eight to twelve people share a room. Living conditions are characterized by poor hygiene, and noise, making it difficult to get necessary rest and privacy.

Findings on State-Sanctioned Forced Labour

Identifying state-sanctioned forced labour in China is challenging because informants and investigators may be subjected to threats, repression, or persecution. Globalworks has searched for and compiled information published online by Chinese municipalities, newspapers, and companies that is linked to the investigated battery and electric bus manufacturers. In addition to this, references are made to public studies and articles on working conditions in China, including those conducted by various NGOs and journals.

State-sanctioned and state-tolerated forced labor often occurs within poverty alleviation programs and vocational training agreements between schools and the private sector. The organized transfer of labour through poverty alleviation programs supplies industrial clusters and factories with labour. The relocation is driven by both economic and political incentives. These programs target specific groups, particularly poor households, migrant workers, interns, and ethnic minority groups.

In Xinjiang, a significant region in the battery supply chain, Uyghurs and other ethnic minorities are particularly vulnerable. Re-education camps built in Xinjiang pose a high risk of coercion and are designed to assimilate minorities by altering their lifestyles and thinking. Suppression against non-Han Chinese is also extensive in Tibet and Qinghai.

Energy is a crucial component for both lithium extraction and processing. Therefore, coal mines represent an essential part of the battery production supply chain. There are strong indications of forced labour in the form of prison labor in the extraction of coal, uranium, and asbestos in China.

The analyzed information substantiate several suppliers investigated in this report are complicit to state-sanctioned forced labour through labour transfers, ownership relationships, or operations in high-risk areas.

Below are the supplier companies' connections to forced labour risks.

- BYD conducts its business operations in Tibet and in a Tibetan autonomous prefecture, where the risk of political oppression and state-sanctioned forced labour is very high.
- BYD, CATL, and Durapower may be linked to state-sanctioned forced labour in Xinjiang through their joint venture partners or shareholders, who conduct their business activities in collaboration with Xinjiang-based mining and processing companies.
- Samsung, LG Chem, and Panasonic may be linked to state-sanctioned forced labour in Xinjiang through products, operations, or services from suppliers.
- BYD, LG Chem, and Panasonic may have contributed to state-sanctioned forced labour because they have participated in state-organized labour transfers through poverty alleviation programs in Western and Central China.
- At Yutong, the risks of forced labour are primarily associated with a supplier contract with CATL, which provides batteries for all the company's e-buses at least until 2032.
- The high-risk areas of Xinjiang, Tibet, and Southwestern Qinghai are associated with forced labour in resource extraction and manufacturing. Five companies investigated are involved in business operations in these high-risk areas.

However, the risks are not only linked to China but also to the Democratic Republic of Congo (DRC), which is the primary source of cobalt. Cobalt from the DRC is a high-risk mineral in relation to human rights violations.

An overarching conclusion is that public transport authorities procuring transportation services or in some cases, purchasing buses directly, must manage heavy risk exposure to severe human rights violations. Reliable systems to monitor working conditions in China are lacking, and both transparency and traceability in the supply chain are low.

ETI Sweden welcomes continued cooperation in public procurement to increase consensus, establish common requirements, and strengthen influence.

ETI Sweden's Recommendations to Public Transport Authorities

- Unless already adopted, implement clear requirements in public procurements of transportation services aligned with internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- Exploit the full range of tools presented in the EU Directives on Public Procurement and the Swedish Public Procurement Law regarding setting social criteria in public contracts.

To address the findings regarding poor working conditions, this could include:

- Consider the full life cycle of products in purchasing decisions, not only the immediate price, such as labour costs in the supply chain. This could include addressing the identified issues related to working conditions, by factoring in costs for increased wages, better accommodation standards, etc.
- In addition to setting minimum requirements through contract performance clauses to respect labour rights, use award criteria to incentivize suppliers who can demonstrate leading and innovative practices in addressing the identified risks related to poor working conditions.
- Ensure adequate resources are allocated internally for continued due diligence measures, including after contracts have been awarded, to follow up on requirements set in the tender process, track performance of suppliers, and respond to potentially new developments and/or information.
- Seek collaboration with other contracting authorities, also outside of Sweden, to build leverage and common approaches to setting social criteria in public procurements of electric buses and transportation services.

To address the findings regarding forced labour, this could include:

- Require suppliers to provide full traceability of their supply chains, including where components such as batteries etc., are manufactured.
- Use contract performance clauses to require all suppliers bidding for the public contract to ensure that no forced labour is being used in the manufacturing of the goods. In evaluating alignment with the contract performance clauses, consider all suppliers, or sub-suppliers, not to be qualified for the evaluation if any of the following criteria is identified: 1) operating in Xinjiang, Tibet and Tibetan autonomous prefectures in Sichuan and Qinghai, 2) participating in state-organized labour transfer/poverty alleviation programs, 3) receiving vocational students through poverty alleviation programs.
- Exclude suppliers deemed to be in violation of social and labour related standards from tenders. This could be based on publicly available information and research from credible independent sources.

The recommendations are based on international standards, mainly the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD Guidelines), as well as responsibilities under relevant legal frameworks.

Context

To meet the climate crisis, comprehensive societal changes are required. Swedish public procurement has an annual turnover of approximately 800 billion SEK, which is equivalent to nearly one-fifth of Sweden's GDP.¹ Through procurement, the public sector plays a crucial role in the transition to a fossil-free and sustainable society.

According to the Swedish Environmental Protection Agency, emissions from domestic transport (excluding domestic flights) should decrease by at least 70 per cent by 2030 compared to 2010.² One necessary change is the electrification of transportation systems. The transition to electric buses is in full swing across the country.

Sweden's three largest public transport authorities are Storstockholms Lokaltrafik (SL), Västtrafik, and Skånetrafiken. SL envisions that 95-100 percent of the approximately 2,200 buses in the fleet can be electrified by 2035.³ Within Västtrafik, all city bus transport is planned to be electrified by 2030.⁴ Skånetrafiken aims to have all city buses in Malmö running on electricity before 2031.⁵ The fourth public transport authority behind this report, Luleå Lokaltrafik (LLT), plans to have an electrified bus fleet by 2030.⁶

China dominates the global market for electric vehicle batteries and electric buses.⁷ The country also has a strong presence in battery raw materials such as lithium, graphite, cobalt, and rare earth metals, another component used in electric vehicle motors and wind turbines. China processes 87 percent of the world's rare earth metals.⁸

The Chinese supply chains of the public transport authorities involve the manufacturing of buses, components, and batteries, as well as the extraction of minerals and coal for energy.

1. Human Rights in China – And the EU's Response

The Chinese constitution guarantees freedom of speech and expression. However, freedom of expression, freedom of the press, and freedom of information are severely restricted in practice. Individuals reporting on politically sensitive issues face significant risks of harassment, threats, or arrest. Both traditional and social media are monitored and regulated, and censorship, both direct and indirect, is widespread. The space for civil society to operate is very limited and continues to shrink. Several civil society actors have been accused of offenses against national security.⁹

Serious and systematic violations of the human rights of individuals belonging to religious and ethnic minorities occur, especially in Xinjiang and Tibet. Linguistic, cultural, and political assimilation of minorities has become an increasingly important political goal, and the methods to achieve this goal have become harsher. A very large number of Uyghurs and individuals from other minorities are arbitrarily detained in internment camps.¹⁰

In August 2022, the United Nations published a report¹¹ confirming that the Chinese state subjects Uyghurs and minorities in Xinjiang to forced labour and other serious human rights abuses. Forced labour is part of the Chinese state's poverty alleviation program and targets specific groups, particularly registered poor households and vulnerable ethnic groups such as Uyghurs.

1.1 Chinese Laws Protect National Interests

Several laws have been enacted that enable actions against individuals, organizations, and states considered to harm China's interests, including an anti-sanctions law¹² and a national security law with an extraterritorial component¹³. The recently promulgated *Chinese Counter-Espionage Law*¹⁴ potentially renders all investigations and information collection a criminal offense.

1.2 Western Laws Take Stronger Measures Against Forced Labour

At the same time, legislation in the European Union and the United States are stepping up requirements for human rights due diligence. The *EU Proposal for a ban on goods made using forced labour*¹⁵ and the *Directive on corporate sustainability due diligence*¹⁶ urge corporations to do more and be more effective in preventing forced labour risks. In the US, the *Uyghur Forced Labor Prevention Act (UFLPA)*¹⁷ establishes a rebuttable presumption that all goods originating entirely or partly from Xinjiang are banned from entering the US market.

The 2023 updated *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*¹⁸ call on enterprises to contribute to “the elimination of all forms of forced or compulsory labour and take immediate and effective measures towards the elimination of forced or compulsory labour as a matter of urgency”.

1.3 EU Moves to Cut Dependency on China

Raw materials such as silicon and lithium for batteries and solar cells are required to meet the green transition with electrification and renewable energy. In September 2023, the European Parliament approved a proposal to secure the supply of these raw materials and reduce dependence on China. According to the proposal, an individual country can account for a maximum of 65 percent of the deliveries of a specific raw material.¹⁹

In the same month, European Commission President Ursula von der Leyen announced an investigation into what is described as distorted competition when Chinese electric vehicles are sold in the EU. Von der Leyen argues that the price of electric vehicles is artificially depressed by massive state subsidies.²⁰

China responded that it is not state subsidies that have driven the country's automobile industry's growth, but innovation and fierce competition in the domestic Chinese market.²¹

2. Regional Procurement Procedures

One of the Swedish region's tasks is to provide public transportation to the residents of the region. The responsibility is carried out by a Public Transport Authority (PTA) within each region through procurement.

According to the Swedish Bus and Coach Federation, bus traffic worth SEK 100 billion was procured between 2019 and 2023.²² Public transportation is financed, roughly speaking, about half from ticket revenue and about half from regional and municipal taxes.²³

The PTAs Västtrafik, Storstockholms Lokaltrafik, and Skånetrafiken do not own buses but procure transportation services with personnel, vehicles, and maintenance from transportation

companies. Public transport operators (PTOs), in turn, purchase the buses and hire drivers, and service personnel. PTOs have contracts with bus manufacturers. Apart from the mentioned PTAs, Luleå Lokaltrafik owns its buses and procures them directly.

2.1 Social Criteria in Public Procurement

In 2014, the EU adopted new Directives on Public Procurement. Which were transposed into national law in all Member States in 2016. One of the main focuses of the new directives is on social and environmental criteria, providing public buyers with increased and clearer tools to set such criteria in public tenders. The directives are transposed into Swedish law through *Lagen om Offentlig Upphandling (LOU)*.

Several articles in the directives address how social criteria should and can be introduced. Under *Principles of Procurement*, Article 18.2²⁴, it is stated that: “Member States shall take appropriate measures to ensure that in the performance of public contracts economic operators comply with applicable obligations in the fields of environmental, social and labour law established by Union law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X.”

Annex X includes all eight ILO core conventions, which cover freedom of association and collective bargaining, forced labour, child labour, and discrimination.

The directives furthermore provide a set of tools to incorporate social criteria in different stages of a procurement process. For example, Article 68 encourages public authorities to consider the full life cycle of products in purchasing decisions, not only the immediate price.

Contracting authorities may consider criteria related to the production of the works, services, or supplies to be purchased, hence incorporating costs of improving labour standards in manufacturing countries in tender evaluations. This could include addressing the identified issues related to working conditions covered in this report.

A purchasing authority can also combine mandatory requirements in the form of contract performance clauses with optional requirements in the form of award criteria. This would allow public buyers to, on the one hand, set clear minimum standards for qualification through contract performance clauses, for example, a zero-tolerance for forced labour, and on the other hand support suppliers that demonstrate advanced practices at the time of bidding.

Award criteria could focus on best practice approaches, for example, whether a supplier demonstrates active involvement in worker voice tools further upstream in the supply chain, or how a supplier ensures a living wage is paid to factory workers. Such criteria could allow a higher immediate cost price, creating a competitive advantage for suppliers who can demonstrate positive impacts. Any supplier awarded the contract will nevertheless need to adhere to fundamental labour rights protections, as detailed in contract performance clauses.

Award criteria might be more suitable in addressing some of the risks related to poor working conditions, while mandatory contract performance clauses are a better option for establishing a zero-tolerance for forced labour.

In addition to using contract performance clauses and award criteria, public buyers also have the option to exclude suppliers deemed to violate social and labour standards.²⁵

2.2 Sustainable Public Procurement – a National Collaboration

Since 2010, Sweden's regions, including public transport authorities, have been collaborating on Sustainable Public Procurement²⁶ and have adopted a common supplier code of conduct. The code covers areas such as human rights, workers' rights according to ILO's core conventions, the environment, and business ethics.²⁷

The electric vehicle industry is considered a high-risk sector in terms of human rights and fundamental labour rights. For this reason, Sweden's largest public transport authorities and procurers of bus transport – Storstockholms Lokaltrafik (SL), Västtrafik, and Skånetrafiken – collaborate on requirements for buses, including batteries, to be manufactured sustainably, both environmentally and socially.

Among other things, requirements are set for transport operators to apply the *OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and work on traceability reporting, continually increasing and improving it. The aim is for these requirements to become industry-wide standards for the procurement of public transport services.

Work is underway within the electric vehicle industry in Sweden and internationally, to make these requirements industry-wide, similar to the regions' supplier code of conduct.

2.3 Follow-Up Assessment is Challenging

According to the regions' common code of conduct and social requirements, public transport operators should be able to demonstrate that their supply chains meet the requirements of the code of conduct.²⁸ The public transport authority has the right to independently or through a third party assess the public transport operator's compliance with the code of conduct.

At the same time, it is very difficult to conduct effective human rights due diligence, which involves mapping and managing human rights risks, in China. Companies and organizations that monitor working conditions have come under intense pressure, including the closure of Verité's China office in 2021 after they participated in reports exposing forced labour.²⁹

An excerpt from the common contract terms according to the supplier code of conduct shows that the public transport operator should:

- 1.** Respect the code of conduct in its operations and have adopted a publicly available policy, decided by top management, that includes a commitment to respect the code of conduct.
- 2.** Have appointed a senior-level person responsible for compliance with the code of conduct.
- 3.** Transmit the commitment to respect the code of conduct to subcontractors at all levels.
- 4.** Regularly conduct risk assessments, i.e., identify and prioritize current and potential risks of non-compliance with the code of conduct, including mapping subcontractors at all levels with special consideration for high-risk activities.
- 5.** Regularly monitor compliance with the code of conduct in both its operations and with subcontractors at all levels.
- 6.** Take measures to prevent, mitigate, and limit non-compliance with the code of conduct, and promptly address adverse impacts at the public transport operator and with subcontractors.³⁰

Human Rights Due Diligence

Human rights due diligence (HRDD) is a risk management process to identify, prevent, mitigate, and account for a company's actual and potential adverse impacts on human rights. Some countries already have legal requirements for companies to conduct HRDD. The EU's Corporate Sustainability Due Diligence Directive (CSDDD) will come into effect as national legislation no earlier than 2026.

2.4 ETI Sweden's Working Group for Electric Vehicles

The members of ETI Sweden who are public procurers of transport services and vehicles gather in a Working Group.³¹ The work is led by Västtrafik, Storstockholms Lokaltrafik (SL), and Skånetrafiken together with the smaller transport authority Luleå Lokaltrafik. The working group focuses on setting requirements and monitoring electric vehicle manufacturing.

As a basis for this work and to better understand the situation in China, the leading manufacturing country for batteries and electric vehicles, the Working Group initiated the investigations presented in this report, on working conditions at supplier factories and forced labour in China.

The investigations were conducted in 2022 by Lund-based Globalworks, which developed Social@risk™, a framework for text-based big data analysis.

Globalworks scraped Chinese social media for posts from employees that can be linked to factories in the traffic authorities' supply chains. Workers' complaints, grievances, and photos were then analyzed qualitatively and quantitatively.

Globalworks has also collected and analyzed information from Chinese Government and Party documents that link the same supply chains to state-sanctioned forced labour.

The overview of publicly available information that Globalworks has found substantiates a significant risk of state-sanctioned forced labor associated with the suppliers. The two investigations constitute separate chapters in the full report, where it is also possible to read more in-depth about the methods.

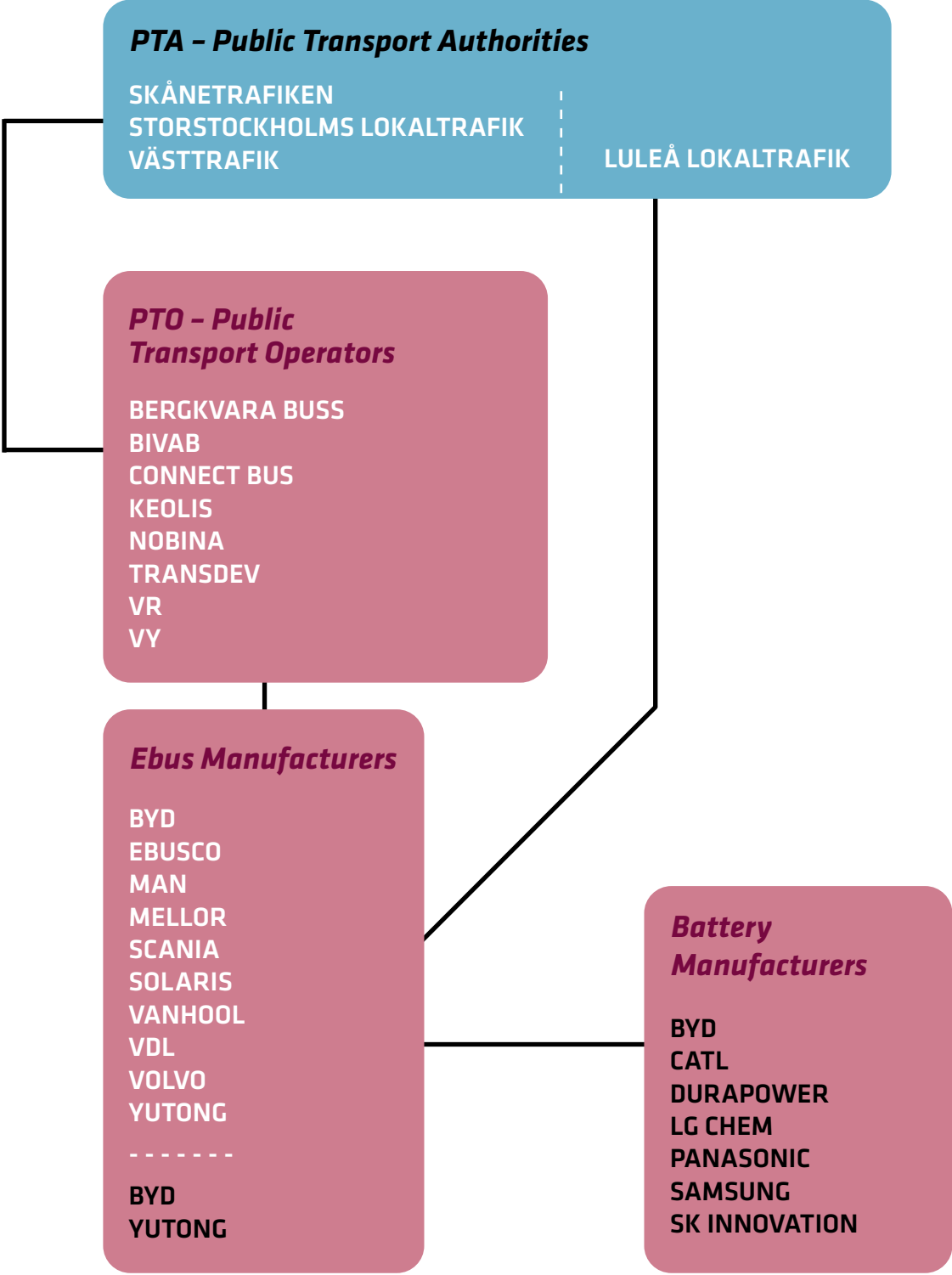
Conclusion

One conclusion drawn from the reviews is that the necessary transition to fossil-free through public procurement comes with challenges. Chinese manufacturing of batteries and electric vehicles that operate on Sweden's streets and roads involves serious risks of state-sanctioned forced labour, as well as violations of human rights and fundamental labour rights.

The important question that needs to be asked and addressed is: how can the transition from fossil-fueled to electrified buses in public transportation be carried out without the immediate and long-lasting negative impact on the environment and the people affected by the manufacturing in the supply chain?

The following page illustrates the supply chain of electric buses operating in Storstockholms Lokaltrafik (SL), Västtrafik, Skånetrafiken, and Luleå Lokaltrafik (LLT).

The Supply Chain for Electric Buses



The PTAs Västtrafik, Storstockholms Lokaltrafik, and Skånetrafiken procure transportation services with personnel, vehicles, and maintenance from PTO's, Public transport operators. The PTO's purchase the buses and hire drivers, and service personnel. PTOs have contracts with bus manufacturers. Luleå Lokaltrafik owns its buses and procures them directly. The suppliers in white are located in Europe, suppliers in black are located in China. (The map is not complete. It shows examples of actors in each step of the chain.)

Footnotes

- 1 <https://www.upphandlingsmyndigheten.se/statistik-som-utvecklar-den-offentliga-affaren/fortsatt-okat-intresse-for-offentliga-upphandlingar/>
- 2 <https://www.naturvardsverket.se/data-och-statistik/klimat/vaxthusgaser-utslapp-fran-inrikes-transporter/#:~:text=Utsl%C3%A4ppen%20fr%C3%A5n%20inrikes%20transporter%202022,procent%20till%202030%20j%C3%A4mf%C3%B6rt%202010.>
- 3 <https://www.regionstockholm.se/verksamhet/kollektivtrafik/kollektivtrafiken-vaxer-med-stockholm/elbussar/>
- 4 <https://www.vasttrafik.se/om-vasttrafik/hallbara-resor/elektrifiering/>
- 5 <https://www.skandetrafiken.se/aktuellt/elbuss/elbussarmalmo/fragor-och-svar-om-elbussar/#/>
- 6 <https://www.llt.lulea.se/om-oss/mot-en-fossilfri-drift-2030/>
- 7 <https://www.bussmagasinet.se/2021/01/mer-an-60-000-elbussar-fran-kina/>
- 8 <https://www.ui.se/utrikesmagasinet/intervjuer/sa-kan-ren-energi-undga-att-bli-en-smutsig-affar/>
- 9 <https://www.regeringen.se/rapporter/2022/06/Chinese-laws-protect-national-interests-manskliga-rattigheter-demokrati-och-rattsstatens-principer-i-kina/#:~:text=Den%20kinesiska%20konstitutionen%20garantear%20%C3%A5sikts,sociala%20medier%20granskas%20och%20regleras.>
- 10 Ibid
- 11 <https://news.un.org/en/story/2022/08/1125932>
- 12 <https://merics.org/de/kommentar/chinas-anti-foreign-sanctions-law-warning-world#:~:text=Despite%20its%20title%2C%20the%20new,perceives%20as%20harming%20its%20interests.>
- 13 <https://www.jtl.columbia.edu/bulletin-blog/chinas-ambition-of-extraterritorial-jurisdiction-and-the-american-response>
- 14 <https://www.reuters.com/world/china/china-wants-mobilise-entire-nation-counter-espionage-2023-08-01/>
- 15 [https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739356/EPRS_BRI\(2023\)739356_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739356/EPRS_BRI(2023)739356_EN.pdf)
- 16 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0071>
- 17 <https://www.cbp.gov/trade/forced-labor/UFLPA>
- 18 <https://www.oecd.org/publications/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct-81f92357-en.htm>
- 19 <https://www.aktuellhallbarhet.se/miljo/miljopolitik/klart-sa-vill-eu-parlamentet-losa-tillgangen-pa-ramaterial/>
- 20 <https://www.energinyheter.se/20230913/29929/eu-inleder-utredning-om-elbilar-fran-kina?page=%2C1>
- 21 <https://elbilen.se/nyheter/kina-varnar-eu-for-undersokning-av-subventionerade-elbilar/>
- 22 <https://upphandling24.se/busstrafik-for-100-miljarder/>
- 23 <https://skr.se/download/18.45167e4317e2b341b24adfc0/1642687744526/7585-529-5.pdf>
- 24 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024>
- 25 This option is introduced in Article 57.4 (a)
- 26 <https://www.upphandlingsmyndigheten.se/en/sustainable-public-procurement/>
- 27 [https://www.xn--hllbarupphandling-8qb.se/#:~:text=Sveriges%20regioner%20har%20en%20gemensam,\(inklusive%20klimat\)%20och%20aff%C3%A4rsetik.&text=Upphandling%20%C3%A4r%20ett%20viktigt%20styrmedel%20of%C3%B6rt%20att%20n%C3%A5%20samh%C3%A4llspolitiska%20m%C3%A5l.](https://www.xn--hllbarupphandling-8qb.se/#:~:text=Sveriges%20regioner%20har%20en%20gemensam,(inklusive%20klimat)%20och%20aff%C3%A4rsetik.&text=Upphandling%20%C3%A4r%20ett%20viktigt%20styrmedel%20of%C3%B6rt%20att%20n%C3%A5%20samh%C3%A4llspolitiska%20m%C3%A5l.)
- 28 <https://www.bussmagasinet.se/2021/08/tuffare-busskrav-aven-hos-vasttrafik/>
- 29 <https://www.business-humanrights.org/en/latest-news/china-shenzhen-verites-closure-due-to-fabricated-report-on-xinjiang-according-to-state-media/>
- 30 https://www.xn--hllbarupphandling-8qb.se/_files/ugd/5fb6a9_05f1f7aea6284d8db77f1216a0b8f148.pdf
- 31 <https://etisverige.se/english/>

