



Final report: Alternative dispute resolution in the complaint filed by a coalition of 28 organizations about the activities of Ralph Lauren Canada LP

Country: China

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Part 1 - Background

About the Canada Ombudsperson for Responsible Enterprise

The Canada Ombudsperson for Responsible Enterprise (CORE) is a business and human rights grievance mechanism established by the Government of Canada. People can file complaints with the CORE about possible human rights abuses arising from the operations of Canadian garment, mining, and oil and gas companies outside of Canada.

For more information, see About the CORE.

What is the purpose of this report?

The CORE is reporting on the termination of the complaint filed by a coalition of 28 Canadian organizations on June 21, 2022, about the activities of Ralph Lauren Canada LP (RLCLP).

The information in this report has no adverse effect on any person including the parties to the complaint, and, as such, section 16 of the CORE's Order in Council, is not applicable to the publication of this report.

Who are the parties to the complaint?

The complainants are a coalition of 28 Canadian organizations listed in Appendix I.

The respondent, RLCLP was previously a Canadian garment entity, registered in Ontario on April 5, 2011, as a limited partnership. RLCLP became inactive as a Canadian company on April 4, 2022. Ralph Lauren Canada Corporation (RLCC) currently oversees Ralph Lauren Corporation's (RLC) Canadian garment business. Throughout the dispute resolution process at the CORE, representatives from the U.S.-based parent, RLC, responded on behalf of the respondent.

What is the complaint about?

The complaint alleged that Ralph Lauren Corporation had a supply relationship with the following Chinese companies: Younger Group, Jiangsu Guotai Guosheng, and Esquel Textile Co. Ltd. The Australian Strategic Policy Institute (ASPI) identified these companies in its report <u>Uyghurs for Sale</u> as using or benefiting from Uyghur forced labour. Examinations by the CORE of bills of lading submitted by the complainants revealed that RLCLP was the consignee for 26 unique shipments into Canada, from Esquel Textile Co. Ltd., between August 2020 and March 2021. The CORE was not presented with evidence of shipments to RLCLP by the other Chinese companies cited in the complaint.

¹ Australian Strategic Policy Institute, *Uyghurs for Sale*, (March 2020), https://www.aspi.org.au/report/uyghurs-sale.

Part 2 – Summary of the complaint process to date

- 1. On July 20, 2022, based on the information provided by the complainants, the then Ombud decided that the complaint was admissible pursuant to <u>section 6.1 of the operating procedures</u>.
- 2. An <u>initial assessment report</u> was published by the CORE on August 15, 2023, with the then Ombud deciding to conduct independent fact-finding regarding the allegations against RLCLP. The fact-finding process is part of the CORE's Human Rights Responsibility Mechanism (HRRM). Fact-finding is the procedure the CORE uses to gather and evaluate the facts necessary for the Ombud to determine whether a human rights abuse occurred or is occurring. The Ombud has discretion to determine how the fact-finding is conducted.
- 3. At a meeting between the CORE and the respondent on October 26, 2023, the CORE outlined its alternative dispute resolution (ADR) options, clarified some of the respondent's questions regarding its independent fact-finding process, and reiterated that parties could consider ADR at any stage of the proceedings.
- 4. The respondent indicated they wished to resolve the complaint through engaging directly with the complainants. The complainants also requested a preliminary discussion with the respondent to determine if informal resolution might be possible.

Part 3 – Direct discussion: Preliminary meeting and sharing of information

- 5. Both parties had a preliminary meeting on November 24, 2023, and established a non-disclosure agreement (NDA). The CORE did not participate in this meeting.
- 6. The then Ombud exercised her discretion to pause the independent fact-finding, and informed the parties that the CORE would resume independent fact-finding if they failed to reach an agreement within a reasonable timeframe.

Part 4 – Termination of review against Ralph Lauren Canada

7. On June 7, 2024, the complainants notified the CORE of their decision to withdraw the complaint given satisfactory responses from RLCC.

Part 5 – Conclusion

8. As provided in <u>section 14.1.6 of the CORE's operating procedures</u>, the Ombud has the discretion to terminate a review of a complaint if the parties have come to an agreement during the informal mediation process.

- Based on the outcome of the direct discussions between the complainants and the respondent, the CORE formally terminated the review of the complaint against RLCLP, effective June 17, 2024.
- 10. The CORE has notified the parties of its decision to: 1) terminate the complaint pursuant to section 14.1.6 of the operating procedures; and 2) to publish this final report pursuant to section 14.2 of the Order in Council.

Part 6 – Recommendations

- 11. Considering that RLCLP is no longer an active company in Canada, there is no recommendation for further follow-up with respect to RLCLP.
- 12. It is recommended that all Canadian companies operating abroad establish and regularly review their responsible business policies and practices to fulfill their responsibilities to respect human rights in line with the government of Canada's Responsible Business Conduct Abroad Strategy, the United Nations Guiding Principles on Business and Human Rights (UNGP), the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises and other sector specific international frameworks and guidelines.

Appendix 1

Coalition of 28 Canadian organizations

- 1. Canadians in Support of Refugees in Dire Need (CSRDN)
- 2. Alliance Canada Hong Kong
- 3. Anatolia Islamic Centre
- Canada Tibet Committee
- 5. Canadians Against Oppression & Persecution
- 6. Canadian Council of Muslim Women (CCMW)
- 7. Canadian Council of Imams (CCI)
- 8. Canada-Hong Kong Link
- 9. Doctors for Humanity
- 10. East Turkistan Association of Canada
- 11. End Transplant Abuse in China (ETAC)
- 12. Human Rights Research and Education Centre, University of Ottawa
- 13. Human Concern International (HCI)
- 14. Islamic Circle of North America Canada (ICNA)
- 15. Islamic Society of North America (ISNA)
- 16. Justice for All
- 17. Lawyers for Humanity
- 18. Muslim Association Canada (MAC)
- 19. National Council of Canadian Muslims (NCCM)
- 20. Raoul Wallenberg Centre for Human Rights
- 21. Canadian Security Research Group
- 22. Share 2 Care (S2C)
- 23. Stop Uyghur Genocide Canada
- 24. Toronto Association for Democracy in China
- 25. Union of Medical care and Relief Organizations-Canada (UOSSM)
- 26. Uyghur Refugee Relief Fund
- 27. Uyghur Rights Advocacy Project
- 28. Vancouver Society in Support of Democratic Movement