Respect for Child Rights and the Risk of Child Labour in the Global Operations and Supply Chains of Canadian Garment Companies
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The contents of this document do not constitute legal advice and are provided for general information purposes only.
Message from the Ombud

This study comes at a critical time for strengthening respect for child rights and addressing the risk of child labour in the garment sector.

According to the International Labour Organization and UNICEF, an estimated 160 million children were engaged in child labour globally as of 2020. A further 8.9 million children are estimated to be in child labour by the end of 2022, due to increasing poverty resulting from the COVID-19 pandemic. The risk of child labour is particularly high in the garment sector and the challenges of addressing it unique given the complexities of global garment supply chains.

Given my mandate to advise Canadian companies on how to operate responsibly outside of Canada, this study is intended to contribute to the work of policy and lawmakers, industry associations, civil society organizations, and Canadian garment companies who are focused on strengthening respect for child rights and addressing the risk of child labour in this important sector.

This study shares the experiences and perspectives of 10 Canadian garment companies and five civil society organizations (CSOs). I applaud the willingness of these companies and CSOs to participate in this study and confidentially share their experiences addressing the complex issue of child labour. I am further encouraged by the fact that half of the participating Canadian garment companies are small and medium-size enterprises (SMEs). The Government of Canada has recently signaled the importance of SMEs to the Canadian economy in its Responsible Business Conduct Abroad: Canada’s Strategy for the Future (RBC Strategy). The observations and experiences of the SMEs participating in this study are critical given that SMEs often face unique challenges regarding responsible business conduct.

Of the 10 companies that participated confidentially in this study, seven were willing to share their contact information with my office to discuss further work to strengthen respect for child rights. This is significant and reflects a clear readiness on the part of these seven companies to engage in further work.

The results of this study provide a useful starting point for further dialogue and research. Indeed, I hope this study will encourage Canadian garment companies to openly discuss the challenges and opportunities they face. I look forward to continuing the conversation as we work together to strengthen respect for child rights and address the risk of child labour in the global operations and supply chains of Canada’s garment sector.

Sheri Meyerhoffer
The Canadian Ombudsperson for Responsible Enterprise wishes to thank the following for their collaboration, insights, and expertise, without which this report would not be possible:

- The 10 participating Canadian garment companies
- The five participating civil society organizations
- The Canadian Apparel Federation
- The Retail Council of Canada
- Fashion Takes Action

Data collection was provided by Nanos Research. Technical analysis and review was provided by The Danish Institute for Human Rights and The Centre for Child Rights and Business. The CORE wishes to thank each organization for their expert contributions to the study.
About the CORE

The Canadian Ombudsperson for Responsible Enterprise (CORE) is a business and human rights ombud institution. The Government of Canada appointed the Ombudsperson, Sheri Meyerhoffer, in April 2019 after almost two decades of discussions among the extractive sector, civil society, and the federal government. The CORE was established to help groups negatively impacted by business operations access remedy, as outlined under Pillar 3 of the United Nations Guiding Principles on Business and Human Rights (UNGPs). The office opened on May 1, 2019.

The CORE is a state-based, non-judicial dispute resolution mechanism. The CORE can review a complaint that is submitted by or on behalf of an individual, organization or community concerning an alleged possible human rights abuse resulting from the operations of Canadian garment, mining, and oil and gas companies outside of Canada. Following an admissible complaint, the CORE works with both parties to resolve problems through early resolution or mediation. If this is not possible, the Ombud will investigate and, where appropriate, make recommendations to the company on how to remedy the human rights abuse. The CORE also has the power to make recommendations to Canada’s Minister of International Trade and to Canadian companies.

What is the CORE’s mandate?

The CORE’s mandate has four components:

1. **We promote** the implementation of the UNGPs and the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises (OECD Guidelines) with our stakeholders.

2. **We advise** Canadian companies operating abroad on the adoption of Responsible Business Conduct (RBC) practices within their operations, which includes the integration of sustainable development practices, as well as accountability measures to avoid and address negative impacts from business activities.

3. **We review** allegations of human rights abuses arising from Canadian company operations abroad in the garment, mining, and oil and gas sectors. This includes contractors, subcontractors and other entities directly or indirectly controlled by a Canadian company.

4. **We recommend** remedies for those whose human rights are harmed by Canadian companies operating abroad and changes to prevent the same or similar harm from happening. For example, we can recommend that the company provide financial compensation, issue a formal apology, or reform its corporate policies. We can also make recommendations for changes to Government of Canada policies.
Executive summary

For the first time in 20 years more under-age children are working than in school.

At the same time, efforts to address the issue of child labour and respect for child rights in Canada are gaining momentum. Recent legislative initiatives aim to strengthen respect for human rights by requiring Canadian companies to better understand how and by whom their products are made, to take action to prevent and address adverse human rights impacts, and to report on those actions publicly. While modest, these efforts are encouraging.

In light of these trends, what are the implications for Canadian garment companies and their suppliers?

In 2022, the Canadian Ombudsperson for Responsible Enterprise (CORE) undertook a study to better understand the measures taken by Canadian garment companies to strengthen respect for child rights and address the risk of child labour in their global operations and supply chains (excluding footwear), and the opportunities and challenges that they face.

The data for this study was collected from interviews with 10 Canadian garment companies (“the participating Canadian garment companies”) and interviews with five civil society organizations (“the participating civil society organizations”). Key interview highlights and commentary from the study are as follows:

1. Limited understanding of responsible business conduct key concepts

Only one of the 10 participating Canadian garment companies mentioned the right to education, which is a core right for children, and is central to the definition of child labour. In addition, only half of the companies interviewed are familiar with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises (OECD Guidelines). These results, in combination with responses to other interview questions, suggest that these Canadian garment companies have a limited understanding of responsible business conduct key concepts.

2. Traceability is a challenge

Participating Canadian garment companies identified tracing garments from origin to consumer as a challenge, which is reflected in the fact that only four of the participating companies stated that they regularly trace garments from origin to consumer. They also identified a lack of resources, difficulty in tracing raw materials, and supplier transparency beyond garment production (known as tier 1 of a company’s supply chain) as challenges to improving traceability.

3. Limited understanding of human rights due diligence

While nearly all of the participating Canadian garment companies stated that they conduct human rights due diligence (HRDD), their responses suggest that they have only a partial understanding of HRDD and how to effectively integrate it across their operations to address child rights and the risk of child labour.

4. Limited awareness of child labour risks and impacts

Despite operating in regions and countries where the risk of child labour is likely high, most of the participating Canadian garment
Executive summary

companies are not aware of any risks regarding the use of child labour in their global supply chains. This is despite the fact that most of the companies stated that they conduct child rights impact assessments and HRDD, which are tools to help identify human rights risks and impacts.

5. Few confirmed cases of child labour likely due to limited supply chain transparency

Only two of the participating Canadian garment companies have experienced a confirmed case of child labour in their global supply chains. Participating civil society organizations stated that if garment companies do not identify child labour within their operations, it is likely because the company does not have full visibility over every level of production (garment, fabric, fiber, and raw materials production) in its supply chain. This may be consistent with the experiences of the participating Canadian garment companies, given that only two of the nine companies that conduct HRDD do so at the level of raw materials production (known as tier 4), where child labour and other child rights impacts are likely prevalent.

6. Heavy reliance on compliance and monitoring tools to identify and address child labour

Participating companies mainly use social audits and other monitoring or compliance tools to identify, assess, and address the risk of child labour. While use of audits is a good starting point, addressing child labour risks requires a more comprehensive approach, such as maintaining long-term and equitable relations with suppliers, or implementing training programs on the risk of child labour throughout a company’s global operations, including its supply chain(s).

7. Tendency towards zero-tolerance approaches to child labour remediation

While most of the participating Canadian garment companies stated they have never had a confirmed case of child labour, some indicated they would terminate the business relationship if a confirmed case were identified, an approach that does not align with child labour remediation best practices.

Definitions

Global supply chain: The cross-border organization of the activities required to produce goods or services and bring them to consumers through inputs and various phases of development, production and delivery.

Tracing: The ability to identify and trace the history, application, location and distribution of products, parts and materials to ensure the reliability of sustainability claims.

Human rights due diligence (HRDD): An ongoing risk management process that a reasonable and prudent company needs to follow in order to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts.
Executive summary: Recommendations

1. Use the regulatory power under Bill S-211 to make regulations requiring government institutions and Canadian business entities to report on each level of production, specifically garment, fabric, fiber, and raw materials production, when reporting on the steps taken to prevent and reduce the risk of forced or child labour.

   **Why this recommendation is needed:**
   The success of legislative initiatives aimed at addressing child labour depends on how effective Canadian garment companies are at enhancing transparency beyond garment production, or tier 1 of a company’s supply chain, where the risk of child labour is known to be greater.

   **What the CORE will do:**
   The CORE will engage with parliamentarians to urge enhanced transparency measures under Bill S-211.

   Bill S-211 enacts the Fighting Against Forced Labour and Child Labour in Supply Chains Act, which imposes an obligation on certain government institutions and private-sector entities to report on the measures taken to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains.

2. Adopt mandatory human rights and environmental due diligence (mHREDD) legislation.

   **Why this recommendation is needed:**
   Canadian garment companies must implement effective HREDD policies and practices to successfully address human rights risks and impacts, including child rights and the risk of child labour, and should do so throughout their supply chain(s) from garment production through to raw materials production.

   **What the CORE will do:**
   The CORE will engage with parliamentarians and government stakeholders to urge the adoption of mHREDD.
Executive summary: Recommendations

3. Include reporting standards that go beyond garment production, or tier one of a company’s supply chain(s), within the due diligence reporting standard proposed under Canada’s Responsible Business Conduct Abroad: Canada’s Strategy for the Future (RBC Strategy).

Why this recommendation is needed:
Canadian garment companies do not need to wait for legislative measures to take action. They can, and should, take steps now to enhance transparency within their supply chains, begin implementing robust HREDD policies and practices, and ensure they have an effective child labour remediation mechanism in place.

What the CORE will do:
The CORE will recommend that the Canadian General Standards Board Committee on RBC Due Diligence for Canadian Companies Active Abroad include reporting standards beyond garment production, or tier 1, in the Committee’s development of a responsible business conduct due diligence reporting standard.

4. Expand approaches to child labour remediation.

Why this recommendation is needed:
As supply chain transparency increases at lower levels of the supply chain, Canadian garment companies will likely identify more cases of child labour. Companies therefore need an effective child labour remediation mechanism in place, one that only terminates the supplier relationship as a last resort.

What the CORE will do:
The CORE will engage relevant experts to develop practical, sector-specific guidance on effective child labour remediation.

5. Canadian garment companies need to strengthen their knowledge of responsible business conduct key concepts, including child rights and child labour.

Why this recommendation is needed:
To meet their obligations under any new legislation, and for legislative or policy measures to be most effective, Canadian garment companies require a stronger understanding of responsible business conduct key concepts.

What the CORE will do:
The CORE will coordinate with industry, government, and civil society to convene webinars, workshops, and/or roundtables to strengthen Canadian garment companies’ awareness and knowledge of responsible business conduct key concepts.
Introduction

The garment sector and its global supply chains

The garment sector refers to the process involved in designing, producing, and selling clothing, footwear, and accessories. All of the different steps or activities involved in this process are performed by a diverse range of actors located around the world. Canadian consumers are most likely familiar with the process of retail sales, or possibly even garment design, but may be less familiar with how and where a garment is produced and by whom.

The various steps by which a garment is produced involves ‘tiers’ or levels of production. These tiers are all part of the garment supply chain. The activities within each tier may vary depending on the garment, but are generally composed of the following:

Tier 1: Garment Production
The activities involved in putting together garments, such as sewing T-shirts.

Tier 2: Fabric Production
The activities involved in producing fabric, such as weaving, dying, or tanning. This tier could also include other pieces used on garments, such as producing buttons, zippers, Velcro, etc.

Tier 3: Fiber Production
The activities involved in turning the raw materials into thread or yarn. This may include the ginning and spinning of fibers.

Tier 4: Raw Materials Production
The activities involved in growing or producing the raw materials for a garment, such as growing cotton for a T-shirt, livestock production for leather, oil production for synthetic fibers, and production of garment materials from recycled goods.

Figure 1. Garment production process
Introduction

While seemingly straightforward, the garment supply chain can be complex. For example, each tier of production may be located in several countries. Raw materials could be produced in one country, such as China, while fiber production could take place in another, such as India. Production activities can also be completed by a range of different suppliers in both the formal and informal sectors. For instance, a factory at the garment production level might contract with a sub-supplier to complete beading or embroidery work, who may, in turn, engage home-based workers to complete the task.

The Canadian garment sector

Prior to the 1980s, Canadian garment production largely took place within Canada. As globalization increased, Canada began outsourcing garment production to developing countries where labour and manufacturing costs are much lower. Today the Canadian garment sector and its supply chains are global in nature, relying upon an intricate web of production tiers and suppliers in various countries.

The Canadian garment sector is projected to generate approximately $44.07 billion CAN in annual revenue in 2022.

Top five countries for textile, garment, and clothing imports into Canada are:

- China
- United States
- Vietnam
- Bangladesh
- Cambodia

As of 2020, India and China produce the most cotton worldwide, comprising 45-50% of the world’s cotton production.
Child labour increasing in garment supply chains

The garment sector is susceptible to a number of human rights abuses. Many Canadians have become more aware of human rights abuses in the garment sector following the 2013 Rana Plaza disaster in Bangladesh.7

Child labour is a significant human rights risk for the global garment industry. The International Labour Organization defines child labour as children working below the minimum age requirement, which is the age at which compulsory education ends according to national law or, generally, 15 years old. This includes children engaged in hazardous work (work that may harm a child’s health, safety, or morals).8 It is important to remember, however, that children will only be prepared to engage in work once they have a basic education, at a minimum. This means that if a child is at, or beyond, the minimum age requirement, but is involved in work that interferes with their ability to attain basic education, they will still be engaged in child labour.

As of 2020, an estimated 160 million children were engaged in child labour globally, with children between the ages of five and 11 accounting for more than half of this number.9

Overall, child labour tends to be more prevalent among boys (at every age from five to 18) than girls.10 As of 2020, the number of child labourers has increased for the first time in 20 years.11 Evidence suggests that this increase is likely due to the impact of the COVID-19 pandemic.12 It is difficult to assess the exact number of child labourers in the garment sector, but a significant source of child labour can be found in the agricultural sector, which includes cotton growing and the production of other garments raw materials.13

Evolving legislative and other measures to address child labour

International standards encourage and domestic legislation requires that Canadian garment companies address the risk of child labour in their global operations, including their supply chains.

The UNGPs and the OECD Guidelines are global standards that encourage all companies to respect human rights, including child rights. In addition to global standards, legislation in Canada aimed at strengthening business respect for human rights is rapidly evolving. First, amendments to Canada’s Customs Tariff effective in July 2020 ban the importation of goods including garments made with forced labour (“the import ban”).14 Second, if passed, Bill S-211 (An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff), which was introduced in the Senate in November 2021, will require Canadian garment companies to publicly disclose steps they are taking to prevent and reduce the risk of forced labour and child labour in Canada and in their global supply chains. It also further amends the Customs Tariff to add child labour to the import ban.15 Lastly, Bill C-262 (the Corporate Responsibility to Protect Human Rights Act) was introduced in 2022 and, if passed, would require Canadian garment companies to establish and implement processes to prevent, address, and remedy adverse human rights impacts, which include child labour.16

Source: ILO, Child Labour: Global estimates 2020, trends and the road forward
Introduction

The CORE's study on respect for child rights and the risk of child labour

In light of the rising number of children engaged in child labour and recent legislative developments in Canada aimed at strengthening respect for human rights, this study reviews data, identifies challenges and opportunities, and serves as a resource for strengthening respect for child rights and addressing the risk of child labour in Canadian garment companies’ operations outside Canada, including in their supply chains.

Methodology

The primary research for this study took place through structured interviews with Canadian garment companies and civil society organizations.

Nanos Research (Nanos) conducted interviews with the participating Canadian garment companies in English and French from May to July 2022. A total of 208 Canadian garment companies were identified through public and private databases as potential contacts, based on the availability of their contact information, their annual revenue, number of employees, and potential connection to one or more levels of production outside Canada. Nanos reached out to the identified companies by email and/or phone, and a total of 10 interviews were conducted. These companies included large, medium, and small enterprises (SME).

Interviews were conducted on a confidential basis; Nanos did not disclose the names and contact information of the participating Canadian garment companies to the CORE, the Centre for Child Rights and Business, or the Danish Institute for Human Rights. However, when asked if they would consent to sharing their contact information with the CORE regarding a possible second phase of the study, seven of the companies gave their consent. In appreciation of their time, Nanos offered the participating Canadian garment companies a $100 charitable donation, which all of the companies accepted.

The discussion guide containing the interview questions can be found in Appendix I.

In addition to interviews with Canadian garment companies, the CORE conducted interviews with three Canadian and two international civil society organizations. Interviews were conducted in-house by the CORE’s staff. The discussion guide containing the interview questions can be found at Appendix II.

Limitations

Given the sample size, results from the interviews with the participating Canadian garment companies are not generalizable to the sector as a whole. Rather, they reflect the experiences and perspectives of the participating Canadian garment companies.
Profile of study respondents

10 Canadian garment companies

- 4 small companies
- 2 medium companies
- 4 large company

9/10 companies are private

5 civil society organizations

- 2 Canadian
- 3 International

Global revenue ranges

- 4 over $100M
- 5 between $10M – 100M
- 1 under $10M

Small and medium-sized business: A business establishment with 1–499 paid employees, and more specifically: a small business has 1 to 99 paid employees; a medium-sized business has 100 to 499 paid employees; a large business has 500 or more paid employees.
Profile of study respondents

The top 10 countries where Canadian garment companies and their supply chains operate:

- Canada
- The United States
- Mexico
- Bangladesh
- India
- Vietnam
- Indonesia
- Cambodia
- Taiwan
- China

For a full list of countries, please see Appendix V.
Interview highlights and commentary
Canada’s RBC Strategy makes it clear that Canadian companies operating outside Canada are expected to comply with relevant laws and guidelines, and increasing respect for child rights and addressing the risk of child labour requires a good understanding of the applicable laws, principles and guidelines.

**Interview highlights**

- Only half of the companies interviewed indicated they are familiar with the UNGPs and the OECD Guidelines that are internationally respected guidance for RBC.
- All 10 of the companies interviewed indicated they are familiar with or somewhat familiar with proposals for new federal laws such as Bill S-211.
- When asked whether they have changed how they operate in response to the import ban in the Canada Customs Tariff; seven of the 10 participating companies indicated no.

**Commentary**

The UNGPs are a set of guiding principles for states and companies to protect, respect and remedy the adverse impacts on human rights by business. The UNGPs are a foundational instrument for Canadian businesses in meeting their responsibility to respect human rights including child rights.

The OECD Guidelines are non-binding principles and standards for responsible business conduct in a global context. Chapter four of the guidelines specifically addresses human rights and requires, among other things, that companies carry out human rights due diligence (HRDD). The OECD has produced targeted guidance for the garment sector – the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector - that provides practical, sector-specific support for the implementation of HRDD. These international frameworks, to which Canada adheres, make it clear that all companies, regardless of size, are expected to respect human rights. Small and medium sized enterprises (SMEs) may have less capacity and/or more informal processes and management structures than larger companies. SME policies and processes for respecting human rights may therefore take different forms and may be achieved through tailored initiatives.

The lack of familiarity with the UNGPs and the OECD Guidelines suggests that the Government of Canada and the CORE can do more to help Canadian garment companies understand RBC-related policies and practices.
While the majority of Canadian garment companies interviewed are aware of the import ban in the Customs Tariff, the rationale for their “business as usual” response is unclear. The import ban is intended to encourage companies to take steps to ensure their supply chains do not use forced labour. Doing so requires due diligence and, as other interview responses suggest, the efforts of the participating companies to establish HRDD could be strengthened. In other words, “business as usual” is unlikely to be effective.

While the import ban is currently the only legislative measure to address forced labour, two federal bills are currently under consideration: Bill C-262 will require Canadian companies to establish HRDD processes, while Bill S-211 aims to increase supply chain transparency with respect to child and forced labour. As of November 2022, Bill S-211 is currently at the report stage in the House of Commons. It is worth noting that only one of the companies interviewed in this study would be subject to Bill S-211 in its current form, given the definition of entity.

An improved understanding of the UNGPs and the OECD Guidelines will assist Canadian garment companies with effectively implementing the processes and practices required by these bills, should they pass.
Understanding child rights and child labour

To effectively strengthen child rights and address the risk of child labour, Canadian garment companies need to have a good understanding of the meaning of child rights and child labour.

**Interview highlights**

Participating Canadian garment companies were asked to define child rights and child labour. One company incorrectly understood child labour as including anybody under the age of 18 who is forced to work. Only one of the 10 participating Canadian garment companies mentioned the right to education, which is a fundamental right for children and is central to the definition of child labour.

**Commentary**

**What are child rights?**

Child rights recognize that children are human beings entitled to rights and freedoms unique to their age and development.

The United Nations Convention on the Rights of the Child (UN CRC), which Canada ratified in 1991, recognizes rights and freedoms for children up to the age of 18. For example, the right to education, freedom of expression, and freedom of association, among others, are all internationally recognized rights and freedoms for children under the UN CRC.

**What is child labour?**

Not all child work is child labour. Child labour is work that infringes child rights.

The International Labour Organization (ILO) Convention No. 138 specifies that the minimum working age of children must not be less than the age at which a child completes mandatory schooling, or, in general, 15 years of age. The minimum age requirement may vary, depending on what age mandatory schooling ends in each state, highlighting the importance of education to the definition of child labour. That is, if a child is involved in work that interferes with their ability to attain basic education, they are engaged in child labour.

ILO Convention No. 182 prohibits the worst forms of child labour, otherwise known as hazardous work. The worst forms of child labour include all forms of slavery (or practices similar to slavery) and work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

Children are therefore engaged in child labour when:

- they are below the minimum age;
- they do hazardous work;
- they do work which interferes with their education.

The responses of participating Canadian companies regarding the definitions of child rights and child labour indicate a need to strengthen their understanding and capacity to apply these concepts to their work on increasing transparency and establishing due diligence in their global operations and supply chains.
Tracing garments from origin to consumer

Traceability means knowing where and how a garment was made. Communicating that information to stakeholders and consumers is what promotes supply chain transparency.

**Interview highlights**

- Less than half, four of the 10 companies interviewed regularly trace garments and only two of those do so to the level of raw materials production (tier 4). This is consistent with the comments of participating civil society organizations, who noted that most companies who produce garments do not know where their raw material comes from.

- Participating Canadian garment companies provided some insights into the challenges they face:
  - They lack the resources for tracing.
  - Tracing at the level of raw materials production is difficult.
  - Suppliers do not provide accurate information.

**Commentary**

The effectiveness of proposed transparency legislation, such as Bill S-211, in addressing child labour will depend on tracing at the levels of production where the risk is likely highest.

As the responses of the companies interviewed indicate, tracing garments and identifying suppliers is not without its challenges. These challenges can be even more significant for SMEs, whose capacity and resources may be limited.

Several of the participating Canadian garment companies and civil society organizations mentioned the need for collaboration and resource sharing amongst garment companies, including by establishing databases or registries to share audit and supplier information. This could be accomplished through industry associations, civil society organizations, government bodies, private companies, or multi-stakeholder initiatives.
Conducting human rights due diligence

Human rights due diligence (HRDD) is key to preventing business activity from having negative impacts on people and remediying those impacts when they happen.

Interview highlights

- A majority, seven (of which three are SMEs) of the 10 companies interviewed stated that they regularly conduct HRDD. However, only three (two of which are SMEs) stated that they do so further down the supply chain at the raw materials and fiber production levels. The remaining four companies stated that they conduct HRDD at the garment production (tier 1) or fabric production (tier 2) levels of their supply chain.

- Some companies interviewed defined HRDD as an absence of human rights violations or as a social compliance audit.

Commentary

HRDD is “an ongoing risk management process that a reasonable and prudent company needs to follow in order to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts”. It is essential that Canadian garment companies not only undertake HRDD but do so effectively to increase respect for child rights and address the risk of child labour.

While companies were not asked about their environmental due diligence during the interviews, it is important to note that the right to a healthy, clean, and sustainable environment is now a recognized human right. This means Canadian garment companies should include environmental due diligence when conducting HRDD.

Social audits are different than HRDD

While most of the companies stated that they undertake HRDD, their responses suggest that knowledge and implementation of HRDD could be strengthened.

Social audits are not a replacement for HRDD and, in fact, are quite distinct from the HRDD process. Evidence suggest that social audits have not proven effective in identifying human rights abuses in global supply chains.

This does not mean Canadian garment companies should forgo social auditing altogether. Audits can be an important tool in the toolbox of practices for addressing risk and impacts and increasing supply chain visibility. A range of practices to address risks and impacts are discussed further on in this report (see: Human rights due diligence: preventing and mitigating the risk of child labour).

More information on HRDD best practices can be found in Appendix III Supplementary Resources.
Conducting human rights due diligence

Figure 2. Due diligence process & supporting measures

Communicate how impacts are addressed

Identify & assess adverse impacts in operations, supply chains & business relationships

1. Embed responsible business conduct into policies & management systems

2. Cease, prevent or mitigate adverse impacts

3. Track implementation and results

4. Provide for or cooperate in remediation when appropriate

5. Communicate how impacts are addressed

6. Identify & assess adverse impacts in operations, supply chains & business relationships

Source: OECD Due Diligence Guidance for Responsible Business Conduct (2018)
Human rights due diligence: Identifying and assessing child labour risks & impacts

Identifying and assessing human rights risks and impacts, including the risk of child labour, is an essential first step for a company when conducting HRDD.

Interview highlights

- Six companies indicated they were not aware of any child labour in their supply chains. Four of the six companies regularly conduct HRDD. One of those four companies is an SME.

- Audits are the primary method the six companies use to identify risk.

- Only four of the 10 companies interviewed conduct child rights impact assessments (CRIAs). Two of the four companies are SMEs while the other two are large companies.

Commentary

Human rights risks and impacts

Human rights risk refers to both potential and actual adverse human rights impacts and the first step of HRDD is to identify and assess both kinds of impacts. Given this, it is notable that a majority of the companies – even those operating in what are likely to be higher risk areas for child labour28 – stated they were not aware of any child labour risks despite regularly conducting HRDD. This suggests that some of the companies interviewed may not be fully aware of or identifying their risks.

Human rights and child rights impact assessments

Most of the companies interviewed use audits to identify child labour risks. While audits are one tool to manage oversight of global supply chains, audits are not generally relied upon, in and of themselves, to identify and assess risk. A human rights impact assessment (HRIA) is a more effective tool to identify and assess human rights risks, including the risk of child labour.

A child rights impact assessment (CRIA) is a form of human rights impact assessment and is an effective way to identify the risk of child labour and to understand the specific impacts a company’s operations may have on children. If done correctly, a CRIA can help garment companies identify child labour risks.

More information on human rights and child rights impact assessments can be found in Appendix III Supplementary Resources.

Potential Adverse Human Rights Impacts are impacts that have yet to materialize, but could if left unaddressed. It is important that companies are aware of potential adverse impacts so that they can address the impact before it materializes. Companies should address potential impacts through prevention and mitigation.

Actual Adverse Impacts are impacts that have already occurred. Companies should address these through remediation.
Once Canadian garment companies have identified and assessed their actual and potential adverse human rights impacts, including the risk of child labour, effective HRDD means taking appropriate action to prevent and mitigate those impacts.

**Interview highlights**

- Most companies interviewed rely heavily on compliance or monitoring tools such as a supplier code of conduct, audits, and third-party monitoring and verification measures to prevent and mitigate the risk of child labour.

- Only half the companies interviewed implement training programs with suppliers. Two of the companies are SMEs. One large company stated that they implement “worker sentiment surveys” at the garment or fabric production levels, and an “online grievance monitoring tool”.

- All of the civil society organizations interviewed commented on how sustainable business practices can have a significant impact on reducing the risk of child labour.

- For example, one of the participating civil society organizations identified mid-day school meals as an action that companies can take that can have a significant impact on reducing child labour risks. This organization indicated that children are much more likely to attend school if they are offered a mid-day meal, thereby reducing the risk of child labour. Other organizations emphasized how women’s rights are closely linked with child rights and the risk of child labour.
Human rights due diligence: Preventing and mitigating the risk of child labour

**Commentary**

Appropriate action can include compliance monitoring, but it should include other actions such as implementing worker welfare and maternity protection programs or supporting neighbouring worker communities. Appropriate action can include addressing unsustainable business practices as well, which can have a positive impact on reducing the risk of child labour. Sustainable business practices can include:

- Pricing products fairly
- Paying farmers and garment workers a living wage
- Providing decent working conditions for working parents, caregivers, young workers, and women
- Sustainable purchasing practices (e.g. sufficient lead time and deadlines)
- Designing products with possible child labour and other human rights risks in mind

✓ Providing maternity leave
✓ Providing daycare or crèche facilities

Where companies have limited oversight of their supply chains, particularly at the lower levels of production (tier 3 or 4), implementing these more comprehensive approaches to address child labour risks can be challenging. SMEs may have limited resources for setting up internal systems to implement these more comprehensive approaches. Using leverage and collaborating with other companies to pool resources may help to overcome some of these challenges.

More resources on identifying, developing and using leverage can be found in Appendix III: Supplementary Resources.

**A living wage** is remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family, including food, water, housing, education, healthcare, transport, clothing, and other essential needs, including provision for unexpected events.

It is clear from their responses that the participating Canadian garment companies focus on compliance and monitoring measures and do not yet implement more comprehensive approaches to addressing child labour risks.
Child labour remediation: Addressing human rights impacts

According to the UNGPs and the OECD Guidelines, where a company identifies the use of child labour in their global supply chain, they should provide for or cooperate in legitimate processes to remediate the situation in the best interest of the child.

**Interview highlights**

- Only two of the 10 participating companies stated that they had experienced a confirmed case of child labour. Of these, one is a large company and the other an SME.

- Some participating civil society organizations observed that if a garment company does not identify a case of child labour, it is likely that the company does not have full visibility over every level of production in its supply chain.

- Some companies suggested that they would terminate the business relationship if a case of child labour were discovered. This is consistent with the observations of participating civil society organizations who noted that companies tend to “cut and run”, favouring a “clean” supply chain rather than implementing efforts to address cases of child labour.

“...[the confirmed case of child labour] was dealt with immediately; we stopped manufacturing in that factory. We also shared with other companies using that factory and they had the right to do the same thing as us or continue. They could put in the steps to make sure it does not happen again.”

Company respondent

“...There are very few things that would stop us from doing business, and [child labour] is one of them. We are very clear on that. We have cancelled orders when we saw manufacturers not being honest. If they want to work with us and are transparent, we will work with them.”

Company respondent
Commentary

The limited number of confirmed cases of child labour experienced by the participating Canadian garment companies could actually be much higher, depending on how effective a company’s policy and practices are for identifying child labour, and the degree to which a company has oversight over the lower levels of production in its supply chain (i.e. raw materials production).

When a case of child labour is discovered, companies should only terminate a business relationship as a matter of last resort. Zero-tolerance approaches to child labour, or the termination of business relationships when an instance of child labour arises, can lead to distorted incentives. Suppliers may hide or shift the problem of child labour to other levels of the supply chain that are less visible, such as through sub-contracting. As a result, zero-tolerance approaches may not only prevent Canadian garment companies from fulfilling their responsibility to respect human rights, they might actually perpetuate the exploitation of children in global supply chains.

Instead, garment companies are encouraged to use their leverage to work with suppliers to remediate the harm in the best interests of the child. Where they lack leverage, collective action may help to increase their influence.

Additional resources on effective remediation can be found in Appendix III Supplementary Resources.

Best practices for child labour remediation include:

- Implementing well-defined prevention and remediation policies, systems and requirements, which are communicated throughout the supply chain
- Implementing site-level grievance mechanisms
- Seeking visibility in lower tiers of the supply chain (e.g. tiers 3 and 4)
- Specific remediation budgets to support victims of child labour
- Engagement with third parties to ensure the child is protected
Conclusion and next steps

The results of this study show that some Canadian garment companies are still relatively early in their journey to strengthen respect for child rights and address the risk of child labour in their global operations, including their supply chains. Key highlights from the study suggest the following:

1 Understanding of responsible business conduct key concepts is limited:
Responses to various interview questions suggests companies have a limited understanding of responsible business conduct key concepts.

2 Traceability remains a challenge:
Tracing garments beyond garment production (tier 1) is a challenge for participating Canadian garment companies due to a lack of resources, the difficulty involved with tracing to the level of raw materials production, and because suppliers may not provide accurate information.

3 Understanding of human rights due diligence is limited:
Participating Canadian garment companies demonstrate only a partial understanding of HRDD and how to effectively integrate HRDD across their operations to address child rights and the risk of child labour.

4 Awareness of child labour risks and impacts is limited:
Only four of the 10 participating Canadian garment companies are aware of any risks regarding the use of child labour in their global supply chains.

5 Few confirmed cases of child labour likely due to limited supply chain transparency:
While only two of the 10 companies interviewed stated that they have experienced a confirmed case of child labour in their global supply chains, this is likely the result of limited supply chain transparency.

6 Heavy reliance on compliance and monitoring tools to identify and address child labour:
Participating companies mainly use social audits to identify, assess and address the risk of child labour.

7 Tendency towards zero-tolerance approaches to child labour remediation:
Some companies indicated that they would terminate a supplier relationship if a confirmed case of child labour was found.
Recommendations

While this study reflects the observations of only 10 Canadian garment companies, other companies likely face similar challenges and experiences. In light of this, the CORE recommends the following steps to strengthen respect for child rights and address the risk of child labour in Canadian garment companies’ global operations, including their supply chains:

1. Enhance supply chain transparency measures

To adequately address child labour, Canadian garment companies must enhance supply chain transparency beyond garment production (tier 1). This is because statistics indicate that child labour is likely most prevalent in the agricultural sector, or the fourth tier of production. Yet, the companies interviewed in this study tend to focus on garment production (the first tier of production); only four of the 10 participating Canadian garment companies stated that they trace garments to the level of raw materials production (tier 4).

The CORE recommends that Parliament and the Government of Canada take steps to enhance transparency measures in legislative initiatives by:

- Using the regulatory powers under Bill S-211 to make regulations specifying that government institutions and Canadian business entities go beyond garment production (tier 1 of their supply chain) in reporting on the steps the government institution or entity has taken to prevent and reduce the risk of forced or child labour.

To support the implementation of this recommendation, the CORE will engage with parliamentarians to promote enhanced transparency measures in Bill S-211.

2. Implement mandatory human rights and environmental due diligence (mHREDD)

The CORE previously recommended mandatory human rights due diligence before the Standing Senate Committee on Human Rights. The CORE reiterates this recommendation, but with the inclusion of environmental due diligence to reflect that the right to a clean, healthy, and sustainable environment is now a recognized human right. Implementing mHREDD ensures that Canadian companies address human rights risk, including the risk of child labour, within their global operations and supply chains.
Recommendations

3  Include reporting requirements that go beyond garment production, or tier 1 of a company’s supply chain within the RBC standard announced in Canada’s RBC Strategy

It is essential that Canadian garment companies not only undertake HRDD, but do so effectively to increase respect for child rights and address the risk of child labour. To assist companies in addressing child labour risks where they are likely highest, the CORE recommends that the proposed reporting requirements under Canada’s RBC Strategy go beyond garment production or tier 1 of a company’s supply chain. Specifically, it should address all tiers in the garment supply chain; from garment production to raw materials production.

As a member of the Canadian General Standards Board Committee on RBC Due Diligence for Canadian Companies Active Abroad, the CORE will recommend that the reporting requirements include measures to promote transparency at the levels of production where child labour risks are likely highest. While the RBC standard will be general, future work may include the development of sector-specific guidance including the garment sector.

4  Expand approaches to child labour remediation

As supply chain visibility increases at lower levels of production, Canadian garment companies will likely identify more cases of child labour. Companies therefore need to ensure they have an effective child labour remediation mechanism in place, one that only terminates a supplier relationship as a last resort. The UNGPs and the OECD Guidelines suggest that companies provide for or participate in legitimate processes to remediate child labour where a confirmed case is identified. Several of the Canadian garment companies interviewed indicated a tendency towards zero-tolerance approaches to child labour remediation, which can further exacerbate the problem.

The CORE recommends that Canadian garment companies strengthen their approach to remediating cases of child labour linked to their global operations and those of their suppliers. Effective child labour remediation should, among other things:

- Be carried out in the best interests of the child, with proper family support
- Include an operationalized remediation mechanism
- Include well-defined prevention and remediation policies, systems and requirements, which are communicated throughout the supply chain

Recognizing that there is a gap in the guidance available to companies to properly address cases of child labour, the CORE will support the implementation of this recommendation by engaging relevant experts, including civil society, to develop practical, sector-specific guidance on effective child labour remediation.
5

Strengthen Canadian garment company knowledge and understanding of responsible business conduct key concepts

Even once legislative and policy measures are in place to address human rights risks and impacts, Canadian garment companies will need a solid understanding of responsible business conduct key concepts for effective implementation and compliance. The companies interviewed in this study demonstrate weak understanding of the UNGPs, OECD Guidelines, child labour, and HRDD, for example.

The CORE recommends that Canadian garment companies increase their knowledge and understanding of responsible business conduct key concepts.

To support the implementation of this recommendation, the CORE will coordinate with industry, government, and civil society to convene webinars, workshops, and/or roundtables with Canadian garment companies to strengthen knowledge of responsible business conduct key concepts.
References


Business And Human Rights Resource Centre, “Beyond Social Auditing”.


Parliament, Bill S-211 - An act to enact the fighting against forced labour and child labour in supply chains act and to amend the customs tariff, 44th parliament, 1st sess

Parliament, Bill C-262 - An act respecting the corporate responsibility to prevent, address and remedy adverse impacts on human rights occurring in relation to business activities conducted abroad, 44th parliament, 1st sess


The Canadian Ombudsperson for Responsible Enterprise (CORE), “Brief on bill S-211 - an act to enact the fighting against forced labour and child labour in supply chains act and to amend the customs tariff” (2022).


United States Department of Agriculture, “Cotton at a glance” (2020).


Appendix I: Nanos interview questions

CORE Elite Consultation Discussion Guide
Name:  Interview date:  

Title:  Notes by:  

Hello, my name is __________________ from Nanos Research. We have been retained to conduct a confidential consultation on behalf of the Canadian Ombudsperson for Responsible Enterprise (CORE) with Canadian garment companies. The purpose of the outreach research is to explore the successes, progress, and challenges of Canadian garment companies in implementing human rights due diligence (HRDD) concerning child rights, in particular child labour, in their operations and supply chains abroad.

Is now still a good time for you to have a 30–45-minute chat? [If not say ‘no problem’ and reschedule]

All your input will remain confidential and will be grouped with that of other stakeholders to identify common themes and priorities. Nanos will be the only organization that will store and have access to the raw data from all interviews and will keep all participant views confidential. Only fully anonymized and aggregate data will be shared with CORE. We are only taking written notes of the discussion. I will lead the discussion and my colleague will take notes. Your participation is important to the success of this initiative and is greatly appreciated. Are you ready to start?

Our first few questions will help us group responses to do an analysis.

1. Is your company listed on a Canadian stock exchange?  
   • Yes [Ask follow-up]  
   • No [Skip to Q3]  
   • Unsure [Skip to Q3]

2. [If yes in Q1] Does your business do the following:  
   • Employ at least 250 people  
   • Generate at least $40 million in revenue  
   • Maintain at least $20 Million in assets

3. To your knowledge, in which countries do your suppliers and sub-suppliers operate? [Capture all] [Open- ask them to state the countries and fill in as needed]  
   • Canada  
   • US  
   • México  
   • China  
   • Vietnam  
   • Indonesia  
   • Turkey  
   • Ethiopia  
   • Other (_________________)  
   • Other (_________________)  
   • Other (_________________)  
   • Other (_________________)  
   • Other (_________________)  
   • Other (_________________)
Appendix I: Nanos interview questions

4. To the best of your ability, please identify the countries in which your supply chain(s) operate and attribute a percentage reflecting how much they constitute your company’s total operations abroad. [Capture all] [Open-ask them to state the countries and fill in as needed]
   Canada ___%
   US ___%
   Mexico ___%
   China ___%
   Vietnam ___%
   Indonesia ___%
   Turkey ___%
   Ethiopia ___%
   Other (_________________) ___%
   Other (_________________) ___%
   Other (_________________) ___%
   Total 100%

Knowledge of relevant laws and guidance

5. Are you familiar, somewhat familiar, somewhat not familiar, or not familiar with Canadian laws that address child rights in the supply chains of Canadian garment companies?
   • Familiar
   • Somewhat familiar
   • Somewhat not familiar
   • Not familiar
   • Unsure

6. Has your company changed how it operates in response to the amendment to the Customs Tariff in July 2021, banning goods made by forced labour (including certain forms of child labour) from entering Canada?
   • Yes
   • No
   • Unsure

7. [If yes in Q6] How has your company changed its operations? [Open]

8. Has your company changed how it operates abroad and/or its supply chain(s) in response to a domestic law or laws addressing child rights and/or child labour in a country or countries other than Canada?
   • Yes
   • No
   • Unsure

9. Which country or countries has prompted or will prompt your company to change its operations abroad and/or supply chain(s)? [Open]

10. Are you familiar, somewhat familiar, somewhat not familiar, or not familiar with the United Nations Guiding Principles on Business and Human Rights (UNGPs)?
    • Familiar
    • Somewhat familiar
    • Somewhat not familiar
    • Not familiar
    • Unsure

11. Are you familiar, somewhat familiar, somewhat not familiar, or not familiar with OECD Guidelines for Multinational Enterprises?
    • Familiar
    • Somewhat familiar
    • Somewhat not familiar
    • Not familiar
    • Unsure

Awareness of child labour issues in supply chain

12. When you hear the term “child rights” in the context of the garment industry what words come to mind? [Open]

13. When you hear the term “child labour” in the context of the garment industry, what words come to mind? [Open]

14. How do you define “child rights” and “child labour”? [Open]
Appendix I: Nanos interview questions

15. What do you believe are the root causes of child labour in garment supply chains? [Open]

16. Do you think your company can have a positive, a somewhat positive, a somewhat negative, a negative or no impact on the use of child labour in its operations abroad including its supply chain(s)?
   • Positive
   • Somewhat positive
   • Somewhat negative
   • Negative
   • No impact
   • Unsure

17. Why do you have that opinion? [Open]

18. Are you aware or not aware of any risks regarding the use of child labour in your company’s operations abroad including its supply chain(s)?
   • Aware [Ask Q19]
   • Not aware [Skip to Q20]

19. [If aware] What are those risks and how do you address them? [Open]

20. [If not aware] How do you know there are no risks? [Open]

21. Has your company ever experienced a confirmed use of child labour in your operations abroad including its supply chain(s)?
   • Yes
   • No
   • Unsure

22. [If yes in Q21] What steps did or is your company taking to address the use of child labour in your operations abroad including supply chain(s)? [Open]

   Human Rights/Child Rights Due Diligence

23. What do you understand the term human rights due diligence (HRDD) to mean? [Open]

24. Does your company regularly, occasionally, or never undertake HRDD in your operations abroad including its supply chain(s)?
   • Regularly
   • Occasionally
   • Never [Skip to Q26]
   • Unsure [Skip to Q26]

25. [If regularly or occasionally in Q24] In which part(s) of your company’s operations abroad including its supply chain(s) do you undertake HRDD?
   • Garment Production
   • Fabric (Textile) Production
   • Fiber (Textile) Production
   • Raw Materials Production

26. Does your company regularly, occasionally or never conduct child rights impact assessments in your operations abroad including its supply chain(s)?
   • Regularly
   • Occasionally
   • Never [Skip to Q28]
   • Unsure [Skip to Q28]

27. [If occasionally or regularly] In which part(s) of your operations abroad including its supply chain(s) do you conduct child rights impact assessments?
   • Garment Production
   • Fabric (Textile) Production
   • Fiber (Textile) Production
   • Raw Materials Production
Appendix I: Nanos interview questions

28. Does your company regularly, occasionally or never review its supply chain for the use of child labour?
   • Regularly
   • Occasionally
   • Never [Skip to 31]
   • Unsure [Skip to Q31]

29. [If occasionally or regularly] In which part(s) of your company’s supply chain(s) does your company review for the use of child labour?
   • Garment Production
   • Fabric (Textile) Production
   • Fiber (Textile) Production
   • Raw Materials Production

30. [If occasionally or regularly] How does your company address the risk of child labour as part of undertaking human rights due diligence in your supply chain abroad?
   • Supplier Code of Conduct
   • Supplier Screening
   • Audits / Monitoring of suppliers/supply
   • Independent Third-Party Monitoring and Verification of suppliers/supply
   • Training for suppliers
   • Other(s):
   • Unsure/don’t know

31. What challenges or barriers does your company experience to establish human rights due diligence in your operations abroad including its supply chain(s)? [Open]

32. What better practices should garment companies adopt to establish human rights due diligence in their operations abroad including their supply chain(s)? [Open]

33. Does your company regularly, occasionally, or never trace garments from their origin to the consumer to identify the use of child labour?
   • Regularly
   • Occasionally
   • Never [Skip to 38]
   • Unsure [Skip to Q38]

34. [If occasionally or regularly in Q33] In which part of your supply chain(s) do you trace garments to identify the use of child labour?
   • Garment Production
   • Fabric (Textile) Production
   • Fiber (Textile) Production
   • Raw Materials Production

35. [If occasionally or regularly in Q33] How does your company trace the origin of garments to identify the use of child labour in its supply chain(s) abroad? [Open]

36. [If occasionally or regularly in Q33] What challenges does your company have tracing the origin of garments to identify the use of child labour in its supply chain(s) abroad? [Open]

37. What better practice(s) do you recommend garment companies adopt to effectively trace garments to identify child labour in their operations abroad including supply chain(s)? [Open]

Broader initiatives

38. What initiative(s), policies, or programs has your company implemented to strengthen respect for child rights or reduce the use of child labour in operations abroad including its supply chain(s)? [Open]

39. [If they can name an initiative, policy or program] What are the impacts your company has witnessed from these initiative(s), policies, or programs? [Open]
Appendix I: Nanos interview questions

40. Does your company implement any of the following initiatives, policies, or programs, to address child rights or child labour? [Randomize] [Select as many as apply]
   • Working conditions of parent workers (i.e. adults with dependent children)
   • Migration (domestic and international)
   • Gender equity
   • Prevention of child labour risks
   • Remediation of child labour
   • Impact of Covid-19
   • Building schools
   • Other(s): (Specify______)

41. What motivates or would motivate your company to engage in activities that would strengthen child rights or address child labour in its operations abroad including supply chain(s)? [Open]

42. [If no motivation is mentioned] What are the reason(s) why your company is not motivated to engage in activities that would strengthen child rights or address child labour in its operations abroad including supply chain(s)? [Open]

43. Have you ever worked with a consultant or an organization with expertise in human rights due diligence, supply chain tracing, child labour, or child rights?
   • Yes [Ask follow up]
   • No [Skip to Q45]
   • Unsure [Skip to Q45]

44. How could the Canadian Ombudsperson for Responsible Enterprise (CORE) or the Government of Canada support Canadian garment companies to strengthen child rights in their operations abroad including supply chain(s)? [Open]

45. How could the Government of Canada better support the tracing of garments to identify the use of child labour by Canadian garment companies in their operations abroad including supply chain(s)? [Open]

Trade support and trade measures

46. Do you or have you received trade support from the Government of Canada? If so, what kind of trade support?

47. Has your company ever had trade measures imposed on it as a result of its human rights performance overseas?

Consumer behaviour

48. Would you say your consumers are interested, somewhat interested, somewhat not interested, or not interested in knowing whether child labour is used in Canadian garment operations abroad including supply chains?
   • Interested
   • Somewhat interested
   • Somewhat not interested
   • Not interested
   • Unsure

49. Has your company ever faced criticism from consumers or consumer groups regarding the use of child labour in your operations abroad including supply chain(s)?
   • Yes
   • No
   • Unsure

50. [If yes] How did your company respond or react?
Appendix I: Nanos interview questions

Next steps

51. A Phase II for this study is being considered, in which the CORE would work directly with a small number of Canadian garment companies to strengthen tracing and human rights due diligence with respect to the use of child labour in their operations abroad including supply chain(s). Phase II of the study would occur in-country, engaging garment factories, workers, and relevant stakeholders.

Would you be interested in speaking with the CORE about possibly collaborating on a Phase II study, beginning in the second half of 2022? [Please note that collaborating would not include sharing your answers to this questionnaire with the CORE. Your answers to this questionnaire will remain confidential and anonymous.]

• Yes, interested [Ask follow-up]
• No, not interested [Skip to Q52]

52. Do you consent to us sharing your contact information only with the CORE so that they can follow up with you about a possible Phase II of this study?

• Yes, I consent
• No, I do not consent

Thank you for participating in our interview today. In appreciation of your time, $100 will be donated to the registered charity of your choice.

53. What is the name of the registered charity you would like to donate to?
Appendix II: CSO interview questions

**Questionnaire for Civil Society Organizations**

**Background**

The Canadian Ombudsperson for Responsible Enterprise (CORE) has launched a study on child rights and the risk of child labour in the operations and supply chains abroad of Canadian garment companies. For more information, please see the study’s Terms of Reference.

The CORE would like to interview five Canadian civil society organizations with experience and knowledge of: responsible business conduct and human rights; child rights/child labour issues in the Canadian garment sector; forced labour (including the worst forms of child labour) in the garment sector; and supply chain transparency and human rights due diligence (HRDD) in the Canadian garment sector. Information provided by CSOs will be included in the study results and analysis, and will inform the CORE’s recommendations. The identity of respondents and information provided will remain strictly confidential.

**Questions**

The following questions will guide the CORE’s interviews with CSOs.

**Organization’s work**

1. Please describe your organization’s work to address child rights and/or the risk of child labour in the operations and supply chains abroad of Canadian garment companies. Does your work focus on particular countries? If so, which countries?

2. Does your organization provide advice to Canadian garment companies on child labour and child rights? If yes, what kind of support do garment companies typically ask for?

3. As part of the CORE’s study, we would like to compile a list of useful resources and tools and guidance for Canadian garment companies, which will be included in an appendix to our final report. Do you have any recommendations for what we should include in this list?

**Canadian garment companies**

4. Are you aware of any past or current instances in which child labour was used and/or other child rights impacts were discovered in the overseas supply chains of Canadian garment company/companies?

5. If so, are you aware of what steps were taken by the company/companies or are being taken as remediation? Was your organization involved? If so, how?

6. Are you aware of any good practices adopted by Canadian garment companies to strengthen respect for child rights and address the risk of child labour in their overseas supply chains? Please describe these measures. Are any case studies of such practices available?

7. What do you think the gaps and challenges are for Canadian garment companies to strengthen respect for child rights and address the risk of child labour in their overseas supply chains? How do these gaps and challenges differ for SMEs?
Appendix II: CSO interview questions

8. Do you think that Canadian garment companies are changing how they do business in response to the July 2021 amendment to the Customs Tariff, which prohibits importing goods manufactured or produced, wholly or in part, by forced labour (including the worst forms of child labour)? If yes, what are Canadian garment companies doing? Have you been approached by a Canadian company for support or expertise around these issues?

9. Bill S-211 and Bill C-243 propose measures intended to increase transparency in the supply chains of Canadian companies. In your view, what is needed to improve the traceability of the overseas supply chains of Canadian garment companies including for potential risks and the use of child labour and other child rights impacts?

10. Do you think Canadian HRDD legislation is needed in the context of the Canadian garment sector? If so, why?

Consumer interest

11. How important to Canadian consumers are the issues of child rights, child labour, supply chain transparency, and HRDD in the Canadian garment sector to Canadian consumers? What is the basis of your opinion?

12. To what extent do you think consumer interest in these issues is a factor in Canadian garment companies adopting measures to address the risk of child labour and other child rights issues? What is the basis of your opinion?

Trade support and trade measures

13. Are you aware of any Canadian garment company/companies that receive trade support from the Government of Canada? If so, what kind of trade support?

14. Are you aware of any Canadian garment company/companies that have had trade measures imposed as a result of their human rights performance? Do you think this kind of information should be made public? If yes, why?

Role of the Canadian government and the CORE

15. What do you think the Government of Canada can do to strengthen respect for child rights and address the risk of child labour in the overseas supply chains of Canadian garment companies?

16. The CORE is considering carrying out a second phase of this study that may include in-country work with local partners and a small number of Canadian garment companies. If the CORE was to carry out a second phase, what are your suggestions regarding the scope and nature of the study including any country/countries that you believe are of particular concern for the risk of child labour? Can you suggest countries outside of Asia?
Appendix III: Supplementary resources


Appendix IV: Glossary of terms

On this page are definitions of terms used throughout this report. Definitions are drawn from the United Nations, the Organization for Economic Co-operation and Development, and the International Labour Organization. References are provided where definitions are drawn from other sources.

**Adverse human rights impact**
When an action removes or reduces the ability of an individual to enjoy his or her human rights.

**Business and human rights**
Refers to the expectation that transnational corporations and other business enterprises protect, respect, and remedy human rights abuses.

**Canadian General Standards Board**
A federal government organization that performs standards development, registration, certification, and related services under the Department of Public Services and Procurement Canada.

**Child labour**
Where a child is engaged in work below the minimum age requirement (the age at which compulsory schooling ends or 15 years old) or is engaged in hazardous work, and are below the age of 18.

**Child rights**
Rights and freedoms unique to individuals below the age of 18, or as defined in the United Nations Convention on the Rights of the Child.

**Child rights impact assessment**
A form of human rights impact assessment which seeks to understand the specific impacts a company’s operations may have on children.

**Fabric production**
The set of activities involved in producing fabric, such as weaving, dying, or tanning. This step could also include other pieces used on garments, such as producing buttons, zippers, Velcro, etc. This is often referred to as the second tier of production.

**Fiber production**
The set of activities involved in turning the raw materials into thread or yarn. This is often referred to as the third tier of production.

**Garment**
Any article of dress.31

**Garment production**
The set of activities involved in putting together garments, such as sewing T-shirts. This is considered the first tier of production.

**Garment sector**
The entire process involved in designing, producing, and selling clothing.

**Global supply chain**
The cross-border organization of the activities required to produce goods or services and bring them to consumers through inputs and various phases of development, production and delivery. It also includes the model of international sourcing where the engagement of lead firms is defined by the terms and conditions of contractual or sometimes tacit arrangements with their suppliers and subcontracted firms for specific goods, inputs and services.

**Hazardous work**
Work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.
Appendix IV: Glossary of terms

**Homework**
Work carried out by a person, to be referred to as a homeworker, (i) in his or her home or in other premises of his or her choice, other than the workplace of the employer; (ii) for remuneration; (iii) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used.

**Human rights due diligence**
An ongoing risk management process that a reasonable and prudent company needs to follow in order to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts.32

**Human rights impact assessment**
A process for identifying, understanding, assessing and addressing the adverse effects of a business project or business activities on the human rights enjoyment of impacted rights holders such as workers and community members.

**Leverage**
When a company has the ability to effect change in the wrongful practices of another entity that is causing or contributing to an adverse human rights impact.

**Living wage**
Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family, including food, water, housing, education, healthcare, transport, clothing, and other essential needs, including provision for unexpected events.33

**Raw materials production**
The set of activities involved in growing or producing the raw materials for a garment, such as growing cotton for a t-shirt, livestock production for leather, or even oil production for synthetic fibers. This is often referred to as the fourth tier of production.

**Responsible business conduct**
The process of integrating the management of risks to the environment, people and society within the core activities of a business. Responsible business principles and standards set out the expectation that businesses—regardless of legal status, size, ownership or sector—contribute to sustainable development; avoid and address adverse impacts of their operations; and recognize that companies have leverage to promote these values throughout their supply chains and business relationships.34

**Small and medium enterprise**
A business establishment with 1–499 paid employees, and more specifically: a small business has 1 to 99 paid employees; a medium-sized business has 100 to 499 paid employees; a large business has 500 or more paid employees.35

**Supplier**
Includes all business relationships that provide a product or service to an enterprise, either directly or indirectly.

**Tracing**
The ability to identify and trace the history, application, location and distribution of products, parts and materials to ensure the reliability of sustainability claims in the areas of human rights, labour (including health and safety), the environment and anti-corruption.
## Appendix V: Countries of operation

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of respondents operating in the specified country</th>
<th>Average percentage reflecting how much each specified country constitutes of a company's total operations (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>10</td>
<td>27.5</td>
</tr>
<tr>
<td>The United States</td>
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<td>32.4</td>
</tr>
<tr>
<td>Canada</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>Cambodia</td>
<td>5</td>
<td>15.7</td>
</tr>
<tr>
<td>Mexico</td>
<td>4</td>
<td>28.3</td>
</tr>
<tr>
<td>Vietnam</td>
<td>4</td>
<td>11.3</td>
</tr>
<tr>
<td>Indonesia</td>
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<td>5.7</td>
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<tr>
<td>Bangladesh</td>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>India</td>
<td>3</td>
<td>3.3</td>
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<tr>
<td>Taiwan</td>
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<td>Thailand</td>
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<td>30</td>
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<tr>
<td>El Salvador</td>
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<td>Jordan</td>
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<tr>
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</tr>
<tr>
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</tr>
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<td>Guatemala</td>
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<td>Unsure</td>
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<tr>
<td>Philippines</td>
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<td>Pakistan</td>
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<td>2</td>
</tr>
<tr>
<td>Turkey</td>
<td>1</td>
<td>5</td>
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</tbody>
</table>
Endnotes

1. Bill S-211 enacts the Fighting Against Forced Labour and Child Labour in Supply Chains Act, which imposes an obligation on certain government institutions and private-sector entities to report on the measures taken to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains.

2. Note that this study does not look at other activities at tier 1 that may have child rights impacts such as marketing, advertising, and sales.


7. Over 1,100 people died following the collapse of the Rana Plaza garment factory (see: World Vision Canada, “Factory collapse puts spotlight on child labour” (2014)).


10. ILO, “Child labour is more prevalent among boys than girls at every age” (2020).


17. To see all countries of operation, please see Appendix V.


19. It was reported that as of May 2022, the CBSA has seized only one shipment of goods suspected of being made with forced labour.


22. ILO, “Minimum Age Convention, C138” (1973) at Article 2.


27. Business and Human Rights Resource Centre, “Beyond Social Auditing”.

28. Africa, Asia and the Pacific regions account for nearly nine out of every 10 children in child labour worldwide (see: United Nations, “2022 Theme: “Universal Social Protection to End Child Labour” (2022)). While not specific to the garment sector, the United States Department of Labour lists China, Bangladesh, Mexico, India, and Thailand, among others, as high-risk countries in its 2022 data on goods produced by forced or child labour (see: Bureau of International Labour Affairs, “List of Goods Produced by Child Labor or Forced Labor” (2022)). Many of the companies interviewed operate in these regions.


30. In July 2022, the United Nations General Assembly passed a resolution recognizing the right to a clean, healthy, and sustainable environment as a human right. While we asked Canadian garment companies about their human rights due diligence practices, the wording of our recommendations reflect the fact that environmental due diligence must be a part of a responsible garment company’s due diligence process.


35. Ibid.