



CORE OCRE
Canadian Ombudsperson
for Responsible Enterprise Ombudsman canadien de la
responsabilité des entreprises

Executive summary



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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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 (“the 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 one 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 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 four), 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.

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.

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

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).

4 Expand approaches to child labour remediation.

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

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