



TAKING ACTION AGAINST CHILD LABOUR AND MODERN SLAVERY IN GLOBAL SUPPLY CHAINS

Consumers, civil society and investors need better information and want to see increased action from companies to address the risks of child and forced labour in their supply chains.

WE ARE CALLING ON
THE GOVERNMENT
OF CANADA
TO:

1

CONSULT

Establish a multi-stakeholder advisory group – including representatives from business, civil society organizations, labour groups and government – to provide advice on the options for legislation and related regulations.

2

LEGISLATE

Enact federal legislation requiring large companies doing business in Canada to publicly report on efforts to monitor, address and prevent child and forced labour in their global supply chains on an annual basis.

WHAT'S THE PROBLEM?

The International Labour Organization estimates there are 168 million child labourers around the globe, including 85 million children in hazardous work. Additionally, there are 21 million victims of forced labour – also known as modern slavery – who work against their will, often in extremely dangerous conditions, under threat of punishment.

Together, child and forced labour are amongst the most egregious violations of human rights. In addition to their negative impact on the health, education and general well-being of individuals, child and forced labour harm the very economies developing around them – markets where Canada wants to see growth.

The cost of child labour to the global economy is as much as 6.6% of global Gross National Income in lost potential growth.¹ Forced labour exploitation generates \$51 billion (USD) in illegal profits per year.²

WHY IS THIS AN ISSUE FOR CANADA?

The increasing length and complexity of global supply chains means that companies doing business in Canada are at risk of importing goods that have been grown or produced by child or forced labourers.

According to 2016 research, more than **1,200 companies operating in Canada are known to be importing goods at high risk of being produced by child or forced labour.** The majority of these companies are disclosing very little, if any, information on the policies, practices and processes they have in place to address these risks.³

DO CANADIANS CARE?

More than **77,000 Canadians** have voiced their support for government action to address child labour in supply chains.⁴

91% of Canadians think the government should require Canadian companies to publicly report on who makes their products and what they are doing to reduce child labour in their supply chains.⁵

84%

of Canadians are frustrated with how difficult it is to determine where, how and by whom the products they buy are made.⁶



8 DECENT WORK AND ECONOMIC GROWTH



Sustainable Development Goal 8.7 commits to global action to “take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.”

HAS LEGISLATION WORKED ELSEWHERE?

YES. In 2015, the UK introduced its *Transparency in Supply Chains* provision as part of its *Modern Slavery Act*. This provision in the law requires companies with annual global sales in excess of £36 million to produce an annual statement outlining their efforts to address modern slavery in their global supply chains.

This simple reporting requirement provides consumers with the information they need to make ethical purchasing decisions, allows investors to identify sustainable businesses and mitigate risks, and assists civil society groups by holding companies accountable to their human rights commitments.

The *Modern Slavery Act*'s supply chain provisions are already driving significant corporate change including:

- A doubling of CEO engagement on modern slavery issues
- 39% of companies are implementing new policies and systems
- 58% of companies have dramatically increased communication with their suppliers
- 50% of companies are collaborating more with other stakeholders to take action⁷

HOW DOES THIS FIT WITH CANADIAN GOVERNMENT PRIORITIES?

A child labour and modern slavery law realizes several priorities of the Government of Canada, including:

- Promoting human rights
- Supporting the implementation of the 2030 Agenda for Sustainable Development
- Expanding Canadian leadership on global issues, including responsible business
- Keeping Canada competitive and open to investment

CANADIAN LEGISLATION SHOULD INCLUDE THE FOLLOWING KEY ELEMENTS:

- inclusion of all companies doing business in Canada with annual revenues above a pre-determined amount;
- annual public reporting;
- clear disclosure criteria;
- mandatory senior-level sign-off on company statements;
- the creation of a single, searchable repository for company reports;
- a published list of the companies required to produce statements; and
- robust enforcement mechanisms to ensure compliance.

WILL THIS UNFAIRLY DISADVANTAGE CANADIAN COMPANIES?

NO. This is simply a reporting requirement. It does not limit company operations, dictate specific actions, or require the disclosure of proprietary information.

NO. It would only apply to large companies, those with the capacity and resources to meet the requirements and create effective change within their supply chains.

NO. Several Canadian and U.S. companies are already reporting under the *Modern Slavery Act*.

NO. It would apply to all companies doing business in Canada, not just Canadian-headquartered companies.

NO. Major companies, including Amazon, IKEA and Marks & Spencer, voiced their support for this type of legislation during UK parliamentary hearings.

¹ World Vision UK and Overseas Development Institute. (2016). *Eliminating child labour, achieving inclusive economic growth*.

² ILO. (2014). *Profits and poverty: the economics of forced labour*.

³ World Vision Canada. (2016). *Supply chain risk report: Child and forced labour in Canadian consumer products*.

⁴ Petition on nochildforsale.ca

⁵ Ipsos Reid. (2017). Ipsos Reid survey on behalf of World Vision Canada, February 7 to 9, 2017. Results are based on a sample of n=1,004 Canadian adults in the general population and are accurate to within +/-3.5 percentage points, 19 times out of 20.

⁶ Ipsos Reid.

⁷ Hult International Business School and the Ethical Trading Initiative. (2016). *Corporate leadership on modern slavery: How have companies responded to the UK Modern Slavery Act one year on?*