

Child Labour and Modern Slavery

World Vision Canada

Submission to

The Subcommittee on International Human Rights of
the Standing Committee on Foreign Affairs and
International Development

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Summary

Child labour and forced labour (modern slavery) are complex, multi-faceted problems. In addition to being a violation of their rights, it takes a significant toll on children and adults' health, dignity, well-being and chance for a future.

Widely reported instances of child labour and forced labour in the global supply chains of everyday goods – including coffee, seafood, apparel, palm oil, and the metals used in our electronics – have linked multinational companies with these human rights abuses. Canadian companies are not immune from these risks; according to World Vision's research, over **1,200 companies operating in Canada imported goods at risk of being produced by child labour or forced labour in 2015, worth a total of approximately \$34 billion.**¹

The majority of companies in Canada are disclosing very little – if any – meaningful information about the policies, practices, and due diligence they have in place to prevent and address child labour and forced labour in their global supply chains², making it difficult for civil society, consumers, investors, and trade unions to constructively engage in dialogue with companies, hold them accountable to their human rights responsibilities, and encourage greater action.

While there are no silver bullet solutions, and action on multiple fronts is needed, allies and partners of Canada – namely California, the UK, the Netherlands, France, and Australia – have implemented or committed to legislation mandating public reporting and/or due diligence for large companies to address these human rights risks in their operations and global supply chains. Amidst this emerging global trend, World Vision Canada recommends:

Recommendation 1: The Government of Canada commit to introducing supply chain legislation by Fall 2018 that would require – at a minimum – large companies doing business in Canada to publicly report on the steps they are taking to address child labour and forced labour in their operations and global supply chains.

Recommendation 2: The Government of Canada immediately convene a multi-stakeholder task force, with clear timelines and deliverables, to provide advice on the options for and details of supply chain legislation and ensuing regulations. The task force should include civil society, trade union, investor, private sector and government representatives.

Recommendation 3 outlines the details and content we believe any Canadian supply chain reporting legislation should include. Appendix 1 includes a number of supplementary recommendations for further consideration.

¹ *Supply Chain Risk Report*. Report. World Vision Canada. 2016. <https://nochildforsale.ca/resource/supply-chain-risk-report/>

² Ibid

About World Vision Canada

1. World Vision is a child-focused relief, development, and advocacy organization that works in close to 100 countries to promote children's rights and well-being by partnering with children and communities to end poverty. We have direct programming and advocacy experience with child labourers in over 25 of those countries.
2. World Vision Canada is a member of a federated partnership and works to improve public and government support for child well-being and international development. In the last two years, over 600,000 Canadians have supported our work.
3. Since 2013, World Vision Canada has been working on the issue of child labour and exploitation within global supply chains by taking a multi-stakeholder approach that engages businesses, government, civil society and the public. We have published several research reports³, and have raised awareness on these topics via our multi-year *No Child for Sale* campaign. Over 98,000 Canadians have taken action to voice their support for our recommendations below.

Parameters of this submission

4. World Vision Canada welcomes the opportunity to make a submission to the study on child labour and modern slavery being conducted by the Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development. This study presents a significant opportunity to advance meaningful policy and legislative responses to contribute to the elimination of child labour and forced labour.
5. This submission will focus primarily on the issues of **child labour and forced labour in global supply chains**. While child labour and forced labour are complex, multi-faceted problems, this is an area for which there are clear policy gaps in Canada, for which other jurisdictions are taking action, and for which there are clear opportunities for Canada to demonstrate leadership. While there are no silver bullet solutions, and action on multiple fronts is needed, the issue of child labour in global supply chains is certainly something we in Canada can do something about.

Summary of main recommendations

6. World Vision Canada recommends that:
 - a. **Recommendation 1:** The Government of Canada commit to introducing supply chain legislation by Fall 2018 that would require – at a minimum – large companies doing business in Canada to publicly report on the steps they are taking to address child labour and forced labour in their operations and global supply chains.
 - b. **Recommendation 2:** The Government of Canada immediately convene a multi-stakeholder task force, with clear timelines and deliverables, to provide advice on the options for and details of supply chain legislation and ensuing regulations. The task force should include civil society, trade union, investor, private sector and government representatives.
 - c. **Recommendation 3:** Any Canadian supply chain reporting legislation for child labour and forced labour should:

³ See [Canada's child and forced labour problem](#) (2017), [Supply chain risk report: Child and forced labour in Canadian consumer products](#) (2016) and [Check the chain: preventing child labour – the case for Canadian supply chain transparency legislation](#) (2015), World Vision Canada.

- i. Apply to companies headquartered in Canada (both public and private) as well as companies with operations in Canada, over a pre-determined financial threshold;
- ii. Include an explicit reference to and an obligation regarding a businesses' operations and global supply chains;
- iii. Require any reporting be updated annually and made available publicly on the company's website;
- iv. Require any reporting obligation to be signed by a director or equivalent;
- v. Require the production of further guidance for businesses to understand the obligations of the law;
- vi. Explicitly include child labour in the scope of its provisions;
- vii. Outline clear criteria for any reporting, including mandatory disclosure of information regarding the organization's structure, operations and supply chains, and its policies, risk assessment and management procedures, due diligence processes, key performance indicators, and training available to its staff with respect to child labour and forced labour;
- viii. Mandate annual publication of a list of companies that fall above the pre-determined financial threshold and are required to comply with the legislation;
- ix. Mandate the creation of a single, searchable repository for any company reporting;
- x. Mandate that only companies that comply with the law be eligible for Government of Canada procurement contracts;
- xi. Include robust enforcement mechanisms to ensure compliance;
- xii. Require a public consultation and review three to five years from the commencement of the legislation to evaluate its effectiveness and consider improvements that could be made to prevent and reduce the adverse impacts on the rights of children and adults in global supply chains.

Background to recommendations

Definitions

7. **Child labour** refers to work that (i) is mentally, physically, socially or morally dangerous and harmful to children; and (ii) interferes with their schooling. It does **not** include regular household chores, after-school jobs, or the light, age appropriate work that can be beneficial to a child's development.⁴
8. National legislation defines what constitutes child labour in each country context, although International Labour Organization conventions **138** (Minimum Age Convention) and **182** (Worst Forms of Child Labour Convention) mark out the following minimum ages for different types of employment:
 - **age 13 for light work** (*developing country exception allows for age 12*) – typically up to 14 hours of work a week;

⁴ *Global estimates of child labour: Results and trends, 2012-2016* International Labour Organization (ILO), Geneva, 2017. http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575499.pdf

- **age 15 for ordinary work** (*developing country exception allows for **age 14**, although countries can also opt to designate a higher age (e.g. 16)*) – typically up to 43 hours of work a week;
 - **age 18 for hazardous work** – typically more than 43 hours of work a week, or work that, but its nature or type, is likely to harm the health, safety, and morals of children.⁵
9. **Hazardous work** can include night work and long hours of work; exposure to physical, psychological or sexual abuse; work in dangerous or unhealthy environments; and/or work with dangerous machinery and equipment. When countries ratify Convention No. 182 and Convention No. 138, they commit themselves to determining work to be prohibited to persons under 18 years of age.
 10. Child labour has a significant negative impact on children, both now and in the future. It jeopardizes their health⁶ and well-being, makes them vulnerable to abuse, violence and exploitation, and hinders their ability to obtain an education.
 11. Child labour does not just negatively affect children – it also hurts the economies developing around them by driving down wages, increasing adult unemployment, and reducing the accumulation of human capital. A recent study by World Vision and the Overseas Development Institute estimates the cost of child labour to the global economy to be as much as 6.6% of global Gross National Income in lost potential growth.⁷
 12. The term “**modern slavery**” has not been defined by any international instrument and its usage varies. It is typically used to refer to situations of forced labour.
 13. **Forced labour** is defined by the ILO Forced Labour Convention, 1930 (No. 29) as, “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily”.⁸ Forced labour includes all forms of *slavery*, *debt bondage*, and most *human trafficking* offences.
 14. The most common form of forced labour is **debt bondage**, which includes situations where people are exploited to work off impossible levels of debt or recruitment fees, typically under very poor working conditions, to labour brokers and employers.⁹
 15. While child labour and forced labour are distinct concepts, they both lie at the extreme end of the **spectrum of labour exploitation, representing the most egregious labour rights violations**. Although not all child labour is forced, children often don’t have a voice, are particularly vulnerable to exploitation, and face significant immediate and long-term consequences from child labour.
 16. Although linked to other labour rights, eliminating child labour and forced labour should be the minimum starting point and represent a focused entry point for action by government and companies. As highlighted in paragraph 48 global leaders have committed to eliminate both as a matter of priority.
 17. Child labour and forced labour are complex, multi-faceted issues. They are inextricably linked to poverty, social exclusion, discrimination, conflict, displacement, harmful norms, and a lack of adequate social protection, decent work, and educational opportunities. In addition to addressing these “push”

⁵ International Labour Organization, "C182 Worst Forms of Child Labour Convention, 1999", article 3(D).

⁶ Fassa, Anaclaudia G. *Child labour: a public health perspective*. Oxford: Oxford University Press, 2010.

⁷ *Eliminating child labour, achieving inclusive economic growth*. Report. World Vision UK and Overseas Development Institute, 2016. <https://www.odi.org/publications/10708-eliminating-child-labour-achieving-inclusive-economic-growth>

⁸ *Global estimates of modern slavery: Forced labour and forced marriage* International Labour Organization (ILO), Geneva, 2017. http://www.ilo.org/global/publications/books/WCMS_575479/lang-en/index.htm

⁹ Ibid

factors, however, we believe Canada has a responsibility and opportunity to prevent situations that can *pull* children and adults into exploitative work.

Estimates & trends¹⁰

18. According to its latest figures, the ILO estimates that there were approximately **152 million children in child labour in 2016**. Of this total, approximately 73 million children are in hazardous work and 4.3 million in forced labour.
19. Africa is the region with the highest number of child labourers (72 million), followed by Asia-Pacific (62 million), the Americas (11 million), Europe and Central Asia (6 million), and Arab States (1 million). 71 per cent of child labour takes place in agriculture, 17 per cent in services, and 12 per cent in the industrial sector (including manufacturing, construction and mining).
20. Of the total number of children in child labour, 88 million are boys and 64 million are girls. While there are fewer girls than boys, the rate of decline for boys is almost twice that of girls since 2012. Due to persistent and harmful gender norms and the fact that much of girls' child labour is hidden, girls are disproportionately vulnerable to abuse and violence in the workplace.
21. Although two-thirds of child labour takes place within the family unit, the increased length, reach and complexity of global supply chains means that child labour can and does take place in them, as is identified in the following section.
22. The ILO estimates that there were 24.9 million people in forced labour in 2016 including, as mentioned above, 4.3 million children. Of the total, 16 million people were in forced labour exploitation in the private sector such as industry, agriculture, and domestic work, 4.8 million were in forced sexual exploitation, and 4 million were in forced labour imposed by state authorities.

Links to global supply chains

23. Widely reported instances of child labour and forced labour in global supply chains of everyday goods – including coffee¹¹, seafood¹², apparel¹³, palm oil¹⁴, and the metals used in our electronics¹⁵ – have linked multinational companies with these human rights abuses.

¹⁰ All information from this section is from *Global estimates of child labour: Results and trends, 2012-2016* International Labour Organization (ILO), Geneva, 2017

¹¹ Hodal, Kate. "Nestlé admits slave labour risk on Brazil coffee plantations." The Guardian. March 02, 2016. Accessed October 25, 2017. <https://www.theguardian.com/global-development/2016/mar/02/nestle-admits-slave-labour-risk-on-brazil-coffee-plantations>

¹² Mason, Margie, Robin Mcdowell, Martha Mendoza, and Esther Htusan. "Slavery, child labour tied to shrimp global supply chains: report." The Globe and Mail. March 24, 2017. Accessed October 25, 2017. <https://beta.theglobeandmail.com/report-on-business/international-business/asian-pacific-business/forced-labour-used-to-process-shrimp-finding-way-to-big-us-retailers-report/article27742643/?ref=http%3A%2F%2Fwww.theglobeandmail.com&>

¹³ Johannisson, Frederik. "Hidden child labour: how Syrian refugees in Turkey are supplying Europe with fast fashion." The Guardian. January 29, 2016. Accessed October 25, 2017. <https://www.theguardian.com/sustainable-business/2016/jan/29/hidden-child-labour-syrian-refugees-turkey-supplying-europe-fast-fashion>

¹⁴ *The great palm oil scandal: Labour abuses behind big brand names*. Report. Amnesty International, 2016. <https://www.amnesty.org/en/documents/asa21/5243/2016/en/>

¹⁵ *This is what we die for: Human rights abuses in the Democratic Republic of the Congo power the global trade in cobalt*. Report. Amnesty International, 2016. <https://www.amnesty.org/en/documents/afr62/3183/2016/en/>

24. According to the US Department of Labor's *List of Goods Produced by Child Labor or Forced Labor*, there are approximately 139 goods from 75 countries that have found to been produced by child and/or forced labour.¹⁶
25. Canadian companies are not immune from these risks. According to research conducted by World Vision which examined 50 common goods from the US Department of Labor's *List of Goods* cross-referenced against publicly available import databases:
 - a. **Over 1,200 companies operating in Canada imported goods at risk of being produced by child labour or forced labour in 2015.**¹⁷ These companies represent virtually every sector, from food to apparel to electronics to retailers.
 - b. **Approximately \$34 billion worth of goods at-risk of being produced by child labour or forced labour was imported into Canada in 2016**, up from \$26 billion in 2012, representing a 31 per cent increase.¹⁸

Lack of information on how companies are addressing risks and Canadians' support for action

26. World Vision's research and experience has demonstrated that **the majority of companies operating in Canada are disclosing very little – if any – meaningful information about the policies, practices, and due diligence they have in place to prevent and address child labour and forced labour in their global supply chains.** Of a sample of 44 companies evaluated in our 2016 research, 52 per cent did not provide any public information about their efforts to address child labour and forced labour in their operations and supply chains. Of those companies that did provide some information, few provided evidence of robust due diligence practices to ensure policy commitments were lived out.¹⁹
27. This transparency gap and lack of information makes it difficult for civil society, consumers, investors, and trade unions to constructively engage in dialogue with companies, hold them accountable to their human rights responsibilities, and encourage greater action.
28. Canadians want greater information from companies and support the Government of Canada acting to this end. According to 2017 public opinion polling conducted by Ipsos, 84 per cent of Canadians are frustrated at how difficult it is to determine where, how, and by whom the products they buy are made. In addition, 91 per cent think the Canadian 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.²⁰

Supply chain legislation approaches in other jurisdictions

29. To respond to the lack of information and encourage greater action by companies to address child labour, forced labour or broader human rights issues within their supply chains, allies and partners of Canada – namely California, the UK, the Netherlands, France, and Australia – have implemented or committed to legislation mandating due diligence and/or public reporting for large companies doing

¹⁶ *List of Goods Produced by Child Labor or Forced Labor*. Report. United States Department of Labor, 2016. https://www.dol.gov/sites/default/files/documents/ilab/reports/child-labor/findings/TVPPRA_Report2016.pdf

¹⁷ *Supply Chain Risk Report*. Report. World Vision Canada, 2016.

¹⁸ *Canada's Child & Forced Labour Problem*. Report. World Vision Canada, 2017. <https://nochildforsale.ca/resource/canadas-child-forced-labour-problem/>

¹⁹ *Supply Chain Risk Report*. Report. World Vision Canada, 2016.

²⁰ Ipsos 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. In *Canada's Child & Forced Labour Problem*. Report. World Vision Canada, 2017.

business in these jurisdictions. The different approaches and models that have been adopted are briefly outlined below.

30. **California's Transparency in Supply Chains Act (2010)**, requires large retailers and manufacturers doing business in California with gross sales of more than 100 million USD to disclose information on their website regarding their, "efforts to eradicate slavery and human trafficking from [their] direct supply chain for tangible goods offered for sale." Companies subject to the Act are required to post disclosures related to five specific areas: verification, audits, certification, internal accountability, and training. Companies are not required to update their statements once published. The declared intent of the law is to, "ensure that large retailers and manufacturers provide consumers with information regarding their efforts to eradicate slavery and human trafficking from their supply chains, educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains, and, thereby, improve the lives of victims of slavery and human trafficking". The Act does not contain any enforcement mechanisms beyond empowering the Attorney General to bring injunctive relief actions against companies.²¹
31. The **UK's Modern Slavery Act (MSA)**, which came into force in October 2015, contains a number of provisions related to slavery and human trafficking, including consolidating criminal offences, victim support mechanisms, and the establishment of an Anti-Slavery Commissioner. Of relevance to this discussion, the **MSA's transparency in supply chains clause (section 54)** requires all companies doing business in the UK (regardless of place of domicile) with global sales in excess of £36 million to produce an annual statement outlining their efforts to address modern slavery in their global supply chains and post it on their website. Modern slavery is defined by the MSA as slavery, servitude and forced or compulsory labour and human trafficking. The MSA does not dictate which details should be included in a company's modern slavery statement, but rather outlines suggested areas for disclosure, including its policies, due diligence processes, key performance indicators and training with respect to modern slavery.²² Section 54 of the MSA builds on California's *Transparency in Supply Chains Act* by: (i) including all businesses, not just retailers and manufacturers in its scope; (ii) requiring that disclosure statements be updated annually; and (iii) that statements be signed-off at the director level. Like the California Act, the MSA empowers the Secretary of State to bring injunctive relief; that is, a court order to produce a statement.
32. In August 2017, following departmental and parliamentary inquiries, the **Australian Government** announced its intention to introduce legislation requiring large businesses to report annually on their actions to address modern slavery in their operations and supply chains.²³ The Government's proposed model is based on the approach taken in section 54 of the *UK Modern Slavery Act*, and proposes that the law apply to companies with an annual revenue threshold of AU\$100 million or more. The outcomes of a recently-concluded public consultation, which was based on the Government's *Modern Slavery in Supply Chains Reporting Requirement* discussion paper, are still pending.²⁴

²¹ *Transparency in Supply Chains Act*. Department of Justice, State of California, 2017. <http://oag.ca.gov/SB657>

²² *Transparency in Supply Chains: A Practical Guide*. Report. Government of United Kingdom, 2015.

<https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide>

²³ "The Hon Michael Keenan MP." Proposed new laws to help end modern slavery. Accessed October 25, 2017.

<https://www.ministerjustice.gov.au/Media/Pages/Proposed-new-laws-to-help-end-modern-slavery-16-August-2017.aspx>.

²⁴ Keenan, Michael. *Modern slavery in supply chains reporting requirement*. Report. Attorney-General's Department, Australian Government. 2017. <https://www.ag.gov.au/Consultations/Pages/modern-slavery-in-supply-chains-reporting-requirement-public-consultation.aspx>

33. In February 2017, the lower house of the **Dutch Parliament adopted the Child Labour Due Diligence Law** ('*Wet Zorgplicht Kinderarbeid*'). The law is still awaiting approval by the Dutch Senate, and would come into effect on 1 January 2020. Applying to all companies that provide goods and services to Dutch consumers, regardless of place of corporate domicile, the law requires that companies conduct due diligence and develop a plan of action to address the risk of child labour in their operations and supply chains. Companies will be required to submit a statement declaring that they have applied due diligence on child labour to a regulatory authority, which will then be published on a central website. The specific requirements of the statement and other details of the law will be determined via a General Administrative Order. Companies only need to submit a statement once, i.e. the law does not stipulate annual reporting. There are monetary penalties and potential imprisonment for companies that fail to submit a statement.²⁵
34. In March 2017, **France enacted its Corporate Duty of Vigilance Law**. The law requires French-headquartered companies with at least 5,000 worldwide employees, and French subsidiaries of foreign-owned companies that employ at least 10,000 employees worldwide, to establish and effectively implement a due diligence plan to identify risks and prevent adverse impacts on human rights (i.e. not just child labour and/or modern slavery as with the other jurisdictions) and the environment, and to publish the due diligence plan and its implementation report in the company's annual reports. Interested parties can apply to the courts for a periodic penalty payment order against the company for non-compliance, and anyone affected by the company's non-compliance can bring a civil action against the company if they meet certain criteria.²⁶

Analysis of supply chain reporting/due diligence models

35. There are several key, principled differences in the supply chain legislation models identified above, including:
 - a. *Scope of issues covered*: the UK, Australian and Californian models focus on modern slavery (i.e. forced labour and human trafficking); the Dutch model on child labour; and the French model on broad human rights and environmental impacts.
 - b. *Reporting or positive obligation for due diligence*: the UK, Australian and California models require reporting; the Dutch and French models mandate due diligence. A company could fulfill the letter of the UK law, for example, by stating that they are doing nothing to address modern slavery.
 - c. *Frequency of reporting*: the Californian and Dutch models impose a one-time reporting requirement; the UK, proposed Australian and French models require annual reporting
 - d. *Penalties and remedy for non-compliance*: the Californian, UK, and proposed Australian models do not provide for fines, sanctions, or civil liability for non-compliance; the Dutch law provides for financial penalties and possible imprisonment; the French law provides for potential fines and civil liability.

²⁵ "Frequently Asked Questions about the new Dutch Child Labour Due Diligence Law." MVO Platform. Accessed October 25, 2017. <https://www.mvoplatform.nl/news-en/frequently-asked-questions-about-the-new-dutch-child-labour-due-diligence-law>

²⁶ *French Corporate Duty Of Vigilance Law*. Report. European Coalition for Corporate Justice, 2017. <http://corporatejustice.org/documents/publications/french-corporate-duty-of-vigilance-law-faq.pdf>

36. With the Dutch and Australian legislation yet to pass or come into effect, and the French law only having been in force for a little over six months (and its implementation reports not required until the 2018 financial year), it is not yet possible to evaluate or compare the effectiveness of these approaches.
37. Research on compliance with California's *Supply Chain Transparency Act* nearly four years after it went into effect on 1 January 2012 found that among 2,125 potentially qualifying companies, approximately 62 per cent of companies identified had made a pertinent statement as required by the law; on average, these companies complied to 60 per cent of the requirements of the law.²⁷ Another study of 5000 companies found that 31 per cent had a disclosure statement that was in compliance with all of the requirements on the law.²⁸
38. Several key criticisms²⁹ of California's *Supply Chain Transparency Act* – including (i) its limited application to manufacturers and retailers; (ii) its one-time reporting requirement; and (iii) the lack of a requirement for Director or senior executive sign-off of statements were remedied in the UK *MSA*'s transparency in supply chains requirement.
39. The UK *MSA*'s transparency in supply chains requirement has been credited with driving corporate change with respect to modern slavery.³⁰ A research report from Hult International Business School and the Ethical Trading Initiative indicates that the *MSA* increased senior-level company engagement on modern slavery issues, led to the implementation of new policies and systems (39 per cent of companies assessed), increased company communication with suppliers (58 per cent), and greater collaboration with other stakeholders to take action (50 per cent).³¹
40. While research has also found that there is significant room for improvement in company reporting under the *MSA*,^{32,33} it is reasonable to expect that statements will evolve – and, crucially, companies will take greater action to address these supply chain challenges – over time as awareness of these reporting requirements and multi-stakeholder dialogue increases due to a greater environment of openness and transparency. As observed by the Business and Human Rights Resource Centre, despite the challenges identified in the preceding paragraph, “mandatory transparency can spur laggards to take action and following leading companies’ better practice”.³⁴

²⁷ *Corporate Compliance with the California Transparency in Supply Chains Act of 2010*. Report. Development International, 2015. http://media.wix.com/ugd/f0f801_0276d7c94ebe453f8648b91dd35898ba.pdf

²⁸ *Five Years of the California Transparency in Supply Chains Act*. Report. Know the Chain, 2015. https://knowthechain.org/wp-content/uploads/2015/10/KnowTheChain_InsightsBrief_093015.pdf

²⁹ Ibid

³⁰ *FTSE 100 At the Starting Line: An analysis of company statements under the UK Modern Slavery Act*. Report. Business and Human Rights Resource Centre, 2016. <https://business-humanrights.org/en/msabriefing>

³¹ Lake, Quintin, Jamie MacAlister, Cindy Berman, Matthew Gitsham & Nadine Page. *Corporate leadership on modern slavery: How have companies responded to the UK Modern Slavery Act one year on?* Hult International Business School and the Ethical Trading Initiative, 2016. <https://www.ashridge.org.uk/faculty-research/research/current-research/research-projects/corporate-leadership-on-modern-slavery/>

³² *FTSE 100 At the Starting Line: An analysis of company statements under the UK Modern Slavery Act*. Report. Business and Human Rights Resource Centre, 2016.

³³ *Risk Averse? Company reporting on raw material and sector-specific risks under the Transparency in Supply Chains clause in the UK Modern Slavery Act 2015*. Report. CORE, 2017. http://corporate-responsibility.org/wp-content/uploads/2017/10/171003_Risk-Averse-FINAL-1.pdf

³⁴ *FTSE 100 At the Starting Line: An analysis of company statements under the UK Modern Slavery Act*. Report. Business and Human Rights Resource Centre, 2016.

41. In response to the differing approaches to supply chain legislation, the lack of a consistent global standard and the perceived shortcomings of some of the models, some groups have proposed a harmonized model for addressing modern slavery in company operations and supply chains that includes provisions on mandatory reporting, mandatory due diligence, and public procurement due diligence.³⁵
42. Amidst the emerging and disparate global trends, World Vision Canada suggests that Canada could take a graduated, incremental approach, starting with mandatory supply chain reporting legislation with respect to child labour and forced labour, with a formalized review process three to five years after the commencement of the law to evaluate whether further requirements – such as mandatory due diligence – should be introduced.

Recommendation 1: The Government of Canada commit to introducing supply chain legislation by Fall 2018 that would require – at a minimum – large companies doing business in Canada to publicly report on the steps they are taking to address child labour and forced labour in their operations and global supply chains.

Recommendation 2: The Government of Canada immediately convene a multi-stakeholder task force, with clear timelines and deliverables, to provide advice on the options for and details of supply chain legislation and ensuing regulations. The task force should include civil society, trade union, investor, private sector and government representatives.

43. World Vision Canada believes that any Canadian supply chain reporting legislation should include several key elements of the UK *MSA*'s transparency in supply chains requirement.

Recommendation 3: Any Canadian supply chain reporting legislation for child labour and forced labour should:

- i. Apply to companies headquartered in Canada (both public and private) as well as companies with operations in Canada, over a pre-determined threshold;
- ii. Include an explicit reference to and an obligation regarding a businesses' operations and global supply chains;
- iii. Require any reporting be updated annually and made available publicly on the company's website;
- iv. Require any reporting obligation to be signed by a director or equivalent; and
- v. Require the production of further guidance for businesses to understand the obligations of the law.

44. Canadian supply chain reporting legislation should strengthen several of the limitations of the UK *MSA*'s transparency in supply chains requirement, which we believe will result in greater impact and company action.

Recommendation 3: Canadian supply chain reporting legislation for child labour and forced labour should:

- vi. Explicitly include child labour in the scope of its provisions;
- vii. Outline clear criteria for any reporting, including mandatory disclosure of information regarding the organization's structure, operations and supply chains, and its policies, risk assessment and management

³⁵ *Modern slavery in company operation and supply chains: Mandatory transparency, mandatory due diligence and public procurement due diligence*. Report. Business and Human Rights Resource Centre and the International Trade Union Confederation, 2017. https://business-humanrights.org/sites/default/files/documents/Modern%20slavery%20in%20company%20operation%20and%20supply%20chain_FINAL.pdf

procedures, due diligence processes, key performance indicators, and training available to its staff with respect to child labour and forced labour;

- viii. Mandate annual publication of a list of companies that fall above the pre-determined threshold and are required to comply with the legislation;
- ix. Mandate the creation of a single, searchable repository for any company reporting;
- x. Mandate that only companies that comply with the law be eligible for Government of Canada procurement contracts;
- xi. Impose effective penalties for non-compliance;
- xii. Require a public consultation and review three to five years from the commencement of the Act to evaluate its effectiveness and consider improvements that could be made to prevent and reduce the adverse impacts on the rights of children and adults in global supply chains.

Canada's international obligations

- 45. The recommendations outlined in this submission are grounded in and supportive of several important frameworks and international agreements endorsed by Canada as outlined below:
- 46. The **UN Convention on the Rights of the Child**, ratified by Canada in 1991, draws attention to the role of governments to protect children from economic exploitation and, “from any work that is likely to be hazardous or to interfere with the child’s education, or to be harmful to the child’s health or physical, mental, spiritual, moral, or social development”.³⁶ In April 2013, the UN Committee on the Rights of the Child issued General Comment 16 which asserts that, “all businesses must meet their responsibilities regarding children’s rights and States must ensure they do so”.³⁷
- 47. Several **International Labour Organization conventions**, including the Minimum Age for Admission to Employment Convention (no. 138), the Worst Forms of Child Labour Convention (no. 182), the Forced Labour Convention (no. 29), and the Abolition of Forced Labour Convention (105) provide a basis for policy measures that protect against child labour and forced labour.
- 48. **Target 8.7 of the 2030 Agenda for Sustainable Development** commits the global community, including Canada, 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.”³⁸
- 49. The **UN Guiding Principles on Business and Human Rights**³⁹ (UNGPs), which were unanimously endorsed by the UN Human Rights Council in June 2011, affirm that States have the duty to protect against human rights abuses through appropriate policies, regulation and adjudication and that business enterprises have a corporate responsibility to respect human rights and to address adverse impacts that may occur from their operations. The UNGPs clearly state that businesses must have a human rights due diligence process to identify, prevent, mitigate and account for (including to report on) how they address their impacts on human rights.

³⁶ United Nations General Assembly (20 November 1989), “Text of the UN Convention on the Rights of the Child”, UN Office of the High Commissioner for Human Rights, Article 32(1)

³⁷ United Nations Committee on the Rights of the Child (2013), “General Comment No. 16 on State obligations regarding the impact of the business sector on children’s rights”, para 8.

³⁸ *Transforming our world: The 2030 Agenda for Sustainable Development*. Report. United Nations, 2015.

³⁹ Office of the High Commissioner for Human Rights, *Guiding Principles on Business and Human Rights*, 2011.

50. Other international corporate responsibility guidelines, such as the **OECD Guidelines for Multinational Enterprises** and the **Children's Rights and Business Principles**, call on companies to contribute to the elimination of child and forced labour.
51. The **ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy** states governments should develop policies and plans of action to prevent and eliminate child labour and forced labour in consultation with employers' and workers' organizations.⁴⁰
52. The 2017 **G20 Leaders' Declaration** includes commitments to sustainable global supply chains and efforts that underline the responsibility of businesses to exercise due diligence and address child labour and forced labour.⁴¹
53. Recent **G7** commitments, including the [2017 Foreign Minister's](#) joint commitment to "*redoubling our efforts to achieving the eradication of forced and child labour*"⁴² and the [2015 G7 Leaders' Declaration](#) commitment which stated, "*To enhance supply chain transparency and accountability, we encourage enterprises active or headquartered in our countries to implement due diligence procedures regarding their supply chains*" also speak to the saliency of Canadian supply chain reporting legislation on child and forced labour.⁴³
54. The recent *Call to Action to End Forced Labour, Modern Slavery and Human Trafficking*, endorsed by Canada on 19 Sep 2017 at the UN General Assembly commits signatories to, "eradicate forced labour, modern slavery, human trafficking, and the worst forms of child labour from our economies by developing regulatory or policy frameworks, as appropriate, and working with business to eliminate such practices from global supply chains..."⁴⁴

⁴⁰ *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*. Report. International Labour Organization, 2017. http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_094386.pdf

⁴¹ *G20 Leaders' Declaration: Shaping an interconnected world*. Report. G20 2017. 2017. <https://www.g20.org/Content/EN/Anlagen/G20/G20-leaders-declaration.pdf?blob=publicationFile&v=11>

⁴² *G7 Foreign Ministers Meeting: Joint Communiqué*. Report. G7 2017. 2017. http://www.g7italy.it/sites/default/files/documents/G7_FMM_Joint_Communique_0.pdf

⁴³ *Leaders' Declaration G7 Summit, 7–8 June 2015*. Report. G7 2015. 2015. https://www.g7germany.de/Content/EN/Anlagen/G7/2015-06-08-g7-abschluss-eng_en.pdf?blob=publicationFile&v=3

⁴⁴ *A Call to Action to End Forced Labour, Modern Slavery and Human Trafficking*. Government of United Kingdom, 2017. <https://www.gov.uk/government/publications/a-call-to-action-to-end-forced-labour-modern-slavery-and-human-trafficking>

Appendix 1: Summary of supplementary recommendations

55. Recognizing that child labour and forced labour are complex, multi-faceted problems requiring multiple solutions, World Vision Canada further recommends that:

- a. **Recommendation 4:** The Government of Canada strengthen and reform its public procurement system by (i) including social clauses, including on child and forced labour, in the government's Vendor Code of Conduct and (ii) requiring that all companies bidding for government contracts demonstrate that they have in place appropriate measures to identify and address the risks of child and forced labour in their supply chains.
- b. **Recommendation 5:** The Government of Canada ensure that child labour is explicitly addressed as part of trade agreements and that necessary supports – both technical and financial – are included to assist parties in living up to their commitments on these issues.
- c. **Recommendation 6:** The Government of Canada, through its Official Development Assistance and global leadership, should prioritize efforts to strengthen child protection systems; establish child-sensitive social protection policies; promote free, quality education; and implement targeted, multi-sectoral initiatives to reduce child labour.
- d. **Recommendation 7:** The Government of Canada should promote a comprehensive approach to business and human rights through the development of a national action plan with the input of civil society and other stakeholders. Supply chain legislation is just one part of such an approach. Another key pillar – and matter of priority – should be the establishment of an extractive sector ombudsperson given the significant operational footprint of Canadian extractive companies abroad.