

SUPPLYCHAIN

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ETHICS

Corporate Responsibility
in the Supply Chain

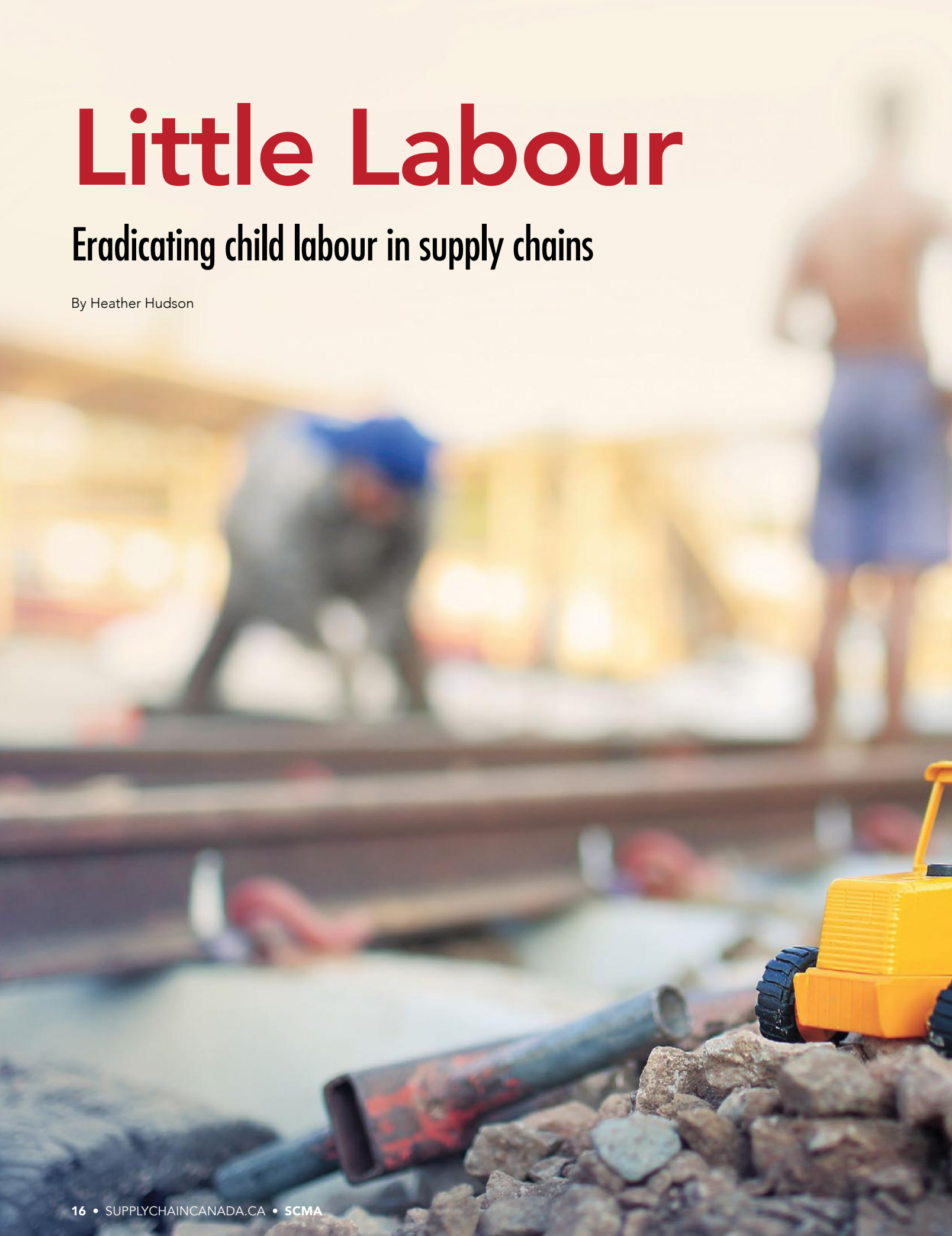
People, planet, profit



Little Labour

Eradicating child labour in supply chains

By Heather Hudson



The field is massive – acre after acre packed with coffee trees as far as the eye can see. The Guatemalan sun is punishing. Workers toil upwards of 12 hours a day tugging ripe cherries – the basis of our morning coffee.

It's only when you look down, low at the base of the trees that you'll see the plantation's youngest workers, crawling around on their hands and knees from morning till nightfall, painstakingly watering each tree from two-litre soda bottles.

"I met a little girl who was about eight years old, [she was] pretty small. She spends hours carting water in bottles, going tree by tree to water each one. We're talking hectares," said Cheryl Hotchkiss, manager of WorldVision Canada's No Child for Sale campaign. "She was extremely proud of what she does. But all I could think about was the weight of those bottles on her little body. The impact on her growing body and bones has to be significant."

For Hotchkiss, that little girl represents the millions of children who suffer in jobs that are considered "dirty, dangerous and degrading" – the antithesis of a healthy childhood. An additional 5.5 million children are forced into working in incredibly risky circumstances by virtue of their geography and poverty.

In a global economy where supply chains span multiple countries and organizations, supply chains have never been so complex. How can you tell if your company is unwittingly using child labour? What can you do about it?

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RECOMMENDATIONS FOR CANADIAN COMPANIES

Importing goods from countries with known child- and forced-labour risks does not mean that a company or its suppliers has done anything wrong. It does, however, mean that appropriate steps should be taken by companies to assess and mitigate these risks and proactively disclose these efforts.

WorldVision Canada encourages all companies to take the following steps:

1. Make a commitment to address child and forced labour
2. Assess where your supply chains are at risk
3. Implement strong policies and due diligence processes to ensure they are lived out, including:
 - a. Supplier codes of conduct prohibiting child and forced labour
 - b. Staff and supplier training to raise awareness and build capacity to monitor and implement these standards
 - c. Unannounced, third-party supplier auditing to measure compliance
 - d. Formal, accessible grievance mechanisms to report violations of standards and a process for responding to reported violations
4. Clearly and publicly disclose the steps you are taking to address the risks of child and forced labour in your supply chains, providing consumers and investors with meaningful, comprehensive information
5. Engage in dialogue on these issues with consumers, NGOs, investors and other companies

Source: WorldVision Canada
nochildforsale.ca

HOW BIG IS THE CHILD LABOUR PROBLEM?

According to the International Labour Organization, an estimated 168 million children are engaged in child labour in countries rich with natural resources, such as India, Pakistan, Bangladesh, Uzbekistan (cotton, garment industry), Latin and Central America (coffee production), Thailand, Vietnam (aquaculture), the Ivory Coast and Ghana (cocoa).

Of those child labourers, 85 million do work detrimental to their health and wellbeing. This type of work puts a child's physical and mental health at risk and affects their ability to attend school because of the nature of the work, and also results in injuries.

"I've seen children working in cocoa who use rudimentary machetes. Their legs are sliced open and they're missing pieces of fingers because there's no safety equipment. And they're working there because cocoa pods grow really low on trees, so it's easier to have children do it," said Hotchkiss.

HOW DO YOU KNOW IF CHILD LABOUR IS USED IN YOUR SUPPLY CHAIN?

Knowing your supply chain is the first step. In large or complex supply chains, Simon Chorley, manager of international programs at UNICEF Canada, recommends conducting a social baseline assessment. If your company does business with suppliers in developing countries, find out: "What's the age of school completion? What's the legal age of work? Is there a grey zone in which there's no more education but they can't legally work yet? What's the living wage? Look at the prevalence of child labour, the quality and quantity of education and employment available and get a basic social-cultural understanding of the country."

The U.S. Department of Labor conducts research projects regularly on goods produced by forced labour, which can offer an indication of where the problems of child labour have been identified.

There are also an increasing numbers of companies making a business out of helping companies investigate supply chains. They can provide different levels of support to a company wanting to assess risk. Consulting amongst the members of your industry is also a helpful starting point so that a coordinated effort can be made.

WHAT SHOULD YOU CONSIDER WHEN CONDUCTING A RISK ASSESSMENT?

Hotchkiss says the next layer of questioning for your suppliers is learning about their codes of conduct, recruitment processes, compliance with national and international regulations, factory management, age verification processes and more.

"One of the things we look for is a commitment to true compliance of their code of conduct," she said. "Are they calling in an outside body to help them look at their system to make sure they're doing what they say they are? Are they working in partnership with others in the industry to improve practices? Have they worked with communities at risk? Do they have a good relationship with local community organizations, leaders and government as part of their business practices?"

mAnR89/Shutterstock.com

Companies should have regular line of sight to public reports, basic worker rights such as grievance processes, audits and more. The more information that is available demonstrates a willingness to be transparent. The United Nations Global Compact has a reporting mechanism online where companies worldwide can post their reports for ultimate transparency.

Chorley says it can be very tricky to get information if your company doesn't have someone on the ground or you have a multi-tier supply chain. In that case, he says companies should work in partnership with a trusted third party in the community.

"Local NGOs or community-based organizations with experience in the technical side of things are going to get answers you wouldn't otherwise be able to access," he said. "They can do regular, unannounced spot checks on each level of your supply chain."

WHAT SHOULD YOU DO IF YOU FIND CHILD LABOUR IN YOUR SUPPLY CHAIN?

Boycotting is not an answer and can often exacerbate tenuous circumstances for vulnerable people, including children, in developing countries where labour laws are lax, at best.

Chorley says part of the responsibility of a company that does work in a developing country is to remove children in a safe way from a workplace and have alternatives for them in education or training.

"Refer to the local government authorities responsible for child protection or a trusted local for support. Look at how you can hire an adult member of the family in place of the child that you've removed so income continues to benefit that family."

WHAT IS BEING DONE IN CANADA TO REDUCE CHILD LABOUR?

Companies like MEC and Gildan Activewear are taking strong measures to address concerns in their factories in developing countries. Gildan uses a "vertically integrated" manufacturing model with direct ownership of most of its production process. This gives the company oversight and control over its supply chain. It also maintains a sustainability website outlining its social-compliance efforts.

Smaller companies are visiting their suppliers regularly or limiting their supply to subcontractors or solely with contractors with whom they've built a long, trusted relationship.

"Child labour is a complex problem with multiple solutions and everybody plays a part in it. We have to facilitate conversations that will lead to sustainable solutions. We can create conditions where things can improve over time," said Hotchkiss.

HOW DO COMPANIES KNOW THEIR EFFORTS TO PREVENT CHILD LABOUR ARE WORKING?

Hotchkiss says it comes down to annual check-ins to see if progress is really being made. Third party organizations can help make sure the solution is lasting and that mechanisms are in place for whistle blowers who can share concerns without being at risk.



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– CHERYL HOTCHKISS, MANAGER,
WORLDVISION CANADA'S NO
CHILD FOR SALE CAMPAIGN

"I'm really optimistic. We started the No Child for Sale campaign three years ago and we see companies who are more willing to accept the challenges and be open to conversations," she said. "All kinds of things are happening globally that represent work at the local level in the supplier and consumer country. I only see that increasing in the years ahead." 🍁