

Recommendations

ETAG believes that combined and complementary policies and actions by various actors will be needed to adequately address labour standards issues in global supply chains. We therefore put forward the following recommendations to companies, investors, lenders, the Canadian government, and consumers. If implemented, these recommendations would remove the veil of secrecy from Canada's apparel industry and set the stage for collaborative action to eliminate worker rights abuses in global supply chains.

Recommendations to Retailers and Brands


Improve your reporting

1. Provide transparent public reports on your company's code implementation program, including information on audit findings and corrective action taken, stakeholder engagement, worker rights training, and other steps your company is taking to meet and maintain compliance with international labour standards.
2. Publicly disclose the names and addresses of facilities manufacturing goods for your company.

Improve your labour standards program

1. Ensure that your code of conduct is consistent with International Labour Organization (ILO) conventions, with particular attention to the core conventions on child labour, forced labour, discrimination, and freedom of association and the right to bargain collectively, and that it includes provisions for payment of a living wage by local standards and hours of work that comply with ILO standards.

2. Assign overall responsibility for labour rights in the supply chain to senior management officials and, where applicable, to a committee of the board of directors.
3. Institute internal monitoring and external verification systems that provide accurate information on code compliance throughout the supply chain.
4. Ensure that code compliance staff and external auditors are qualified and properly trained to monitor labour standards compliance, particularly with respect to workers' rights.
5. Institute a staged approach that prescribes corrective action to deal with non-compliance. Do not "cut and run" when violations are discovered.
6. Engage with NGOs and labour organizations in importing and manufacturing countries.
7. Facilitate the active participation of local NGOs and labour organizations in code monitoring and remediation.
8. Facilitate worker rights training for workers and management personnel at the factory level and ensure that suppliers and workers are knowledgeable about their rights and responsibilities under the code and local law.
9. Join a credible multi-stakeholder initiative and collaborate with other companies and labour and non-governmental organizations on seeking labour standards compliance and long-term solutions to persistent industry-wide problems.
10. Take special steps to ensure respect for freedom of association in countries where that right is restricted by law.



*Coming clean
on the clothes
we wear*

Recommendations to the Canadian Government

Adopt policies and regulations that require and/or encourage companies selling apparel products in Canada to provide transparent reports on their efforts to meet and maintain compliance with ILO conventions in their global supply chains, including:

1. Regulations requiring companies to publicly disclose the factories where their apparel products are made, thereby creating a level playing field with companies that have already provided this level of transparency.
2. Regulations requiring companies, including private companies, to provide annual public reports on their efforts and progress in achieving compliance with ILO core conventions, and other relevant social and environmental standards, in their global supply chains.
3. Ethical procurement policies, based on ILO conventions, for federal departments, agencies and other bodies for the purchase of apparel and other textile products.
4. Preference in the granting of loans, grants, overseas investment insurance and other benefits to companies that have adopted codes of conduct that are consistent with ILO core conventions, are using credible third-party auditors to verify compliance with those standards, and are making public summaries of all audit reports and corrective action taken.

Recommendations to Investors

1. Work with other shareholders and stakeholders to pressure companies to improve their public reporting on labour standards issues where they have been found lacking.
2. Urge companies to provide sufficient information on their labour standards compliance programs, including audit findings and corrective action, as well as risk assessments of relevant issues, to allow investors to track progress and make ethical choices.
3. Call on the federal government to adopt regulations requiring all apparel companies operating in the Canadian market to release annual public reports on their efforts and progress in achieving compliance with ILO core conventions and other relevant social and environmental standards.

Recommendations to Financial Institutions

1. As part of due diligence in approving loans or credit, require companies to provide sufficient information on their labour standards compliance programs, including audit findings and corrective action, as well as risk assessments of relevant issues, to allow the lending institution to assess risk and track progress.
2. Work with other stakeholders to require companies to improve their public reporting on labour standards issues where they have been found lacking.

Recommendations to Consumers

1. Urge all retailers and brands selling apparel products in the Canadian market to provide consumers with sufficient information on labour practices in their global supply chains and their efforts to improve those practices for consumers to make ethical choices when they shop.
2. Urge companies that have done poorly in the Transparency Report Card to meet and exceed the ratings of industry leaders in the coming year.
3. Encourage all retailers and brands to work with labour and non-governmental organizations to improve working conditions in apparel supply factories around the world and to tackle root causes of persistent worker rights abuses in the industry as a whole.

Part II

Research Criteria and Individual Transparency Report Cards

