The Conundrum: Good Corporate Codes and the Persistence of Forced Labour

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GFLC
GOVERNING FORCED LABOUR IN SUPPLY CHAINS

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Aim of the Study

- Baseline study of a leading Canadian Corporation’s CSR initiative
- The case of Lululemon athletica

Corporate Social Responsibility

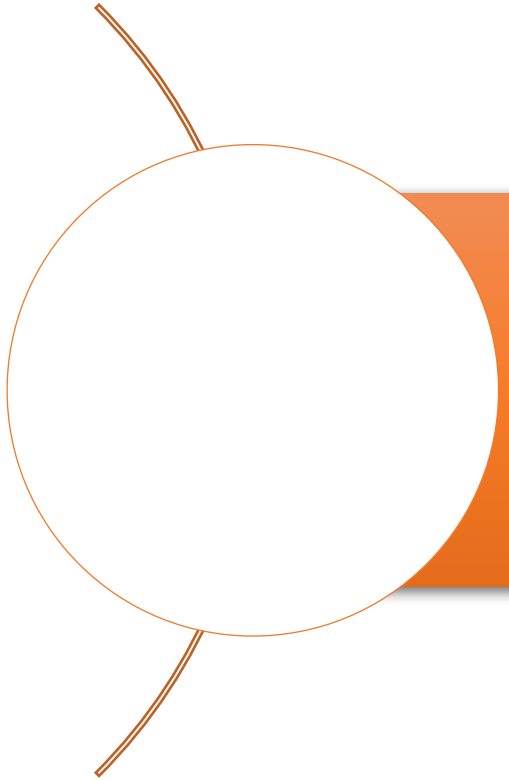
The range of initiatives undertaken by companies for labour governance (Esbenshade 2012)

Designed to protect the reputation of brand, pacify stakeholders and to serve as a distraction from their unethical activities (Jackson, Doellgast & Baccaro 2018).

Evidence of audit fixing; points out the mismatch in intent and execution of private regulatory initiatives (Kuruvilla 2021)

- difficulty in measuring behaviour; diverse practices; multiple actors

CSR



Does not address the structural issue and limit their responsibilityto tier 1 suppliers (LeBaron 2020)

- Demand and supply side of the “global business of forced labour”
- Homogenizing corporate power &
- Poor wages and dispossession

- Required to submit modern slavery statements under the California, Australia Commonwealth and UK Modern Slavery Acts

Why lululemon?

Accused of using cotton produced with labour forced from the Uyghur people who reside in the Xinjiang region !

- Know the Chain (KTC) Benchmark ranked number one

- Official Outfitter of Team Canada for the Olympic Games

Lululemon Suppliers

*Dec 2021 disclosure list

Table 2: lululemon's Raw Materials Suppliers by Location and Size

Country	Number of facilities	Number of workers
China	5	5,105-7,049
Taiwan	9	2,607-5,700
Sri Lanka	1	501-1000
Vietnam	1	501-1000
Indonesia	1	50-100
Japan	1	50-100
South Korea	1	1-49

*Note: the data only reflects 80% of lululemon's fabric mills

Table 1: lululemon's Manufacturing Vendors by Location and Size

Country	Number of facilities	Number of workers
Vietnam	26	86,006-101,200
Indonesia	5	31,505- 34,000
Cambodia	9	23,109-27,500
Sri Lanka	11	18, 511-24,000
China	17	11,567- 19,100
Bangladesh*	2	11,501-12,000
Peru	4	4,204-6,000
Philippines	3	3,103-4,500
Egypt	1	2,001-2,500
Haiti	1	1,501-2,000
Thailand	1	1,501-2,000
El Salvador	1	1,500-2,000
Colombia	1	1,001-1,500
Mexico	1	1,001-1,500
Turkey	2	602-1,500
Taiwan	3	153-650
USA	2	2 to 100

Lululemon Suppliers

What do we know?

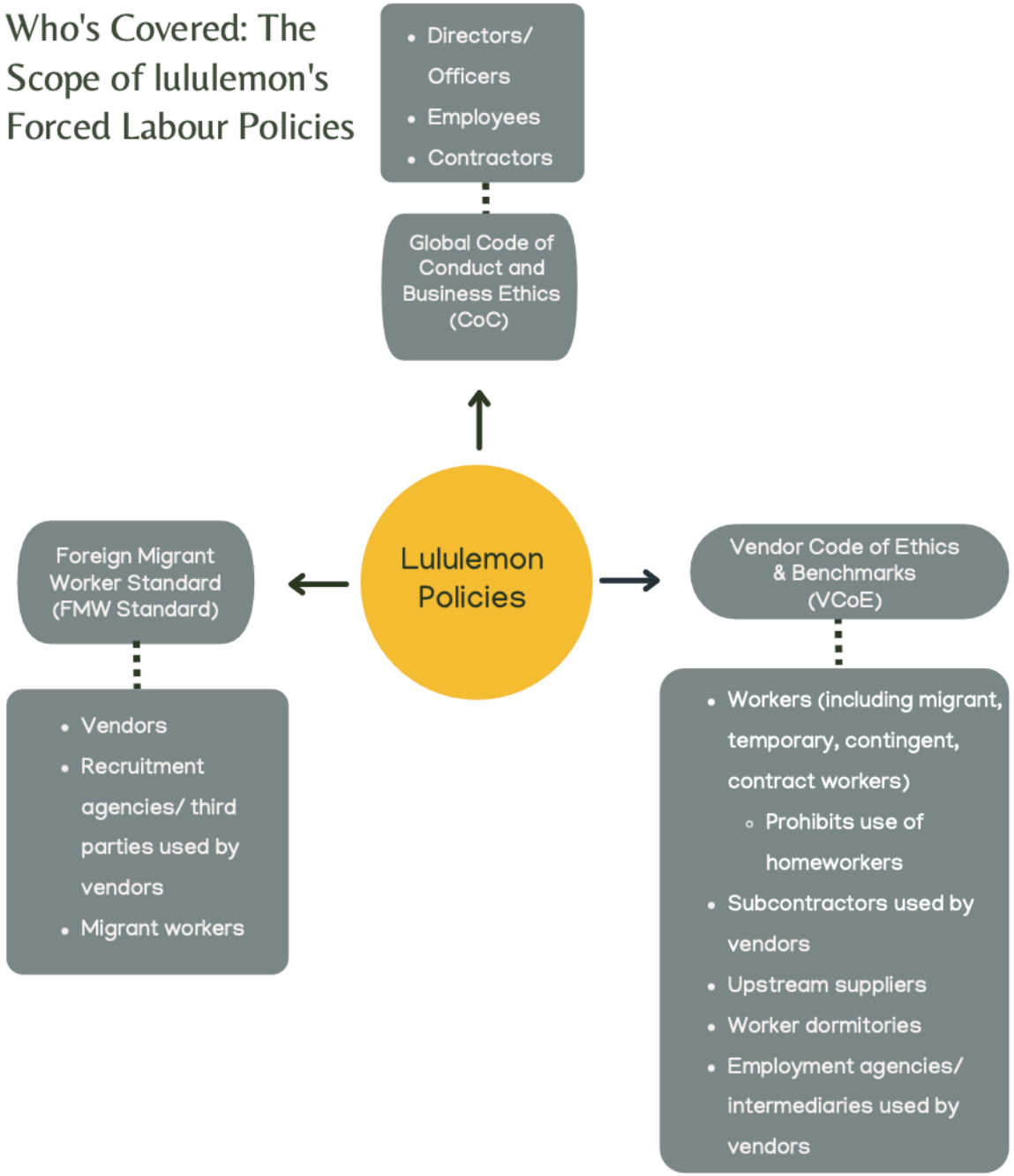
Has suppliers in 5 out of the ten-top worst countries in the world for workers rights (according toITUC, 2020)

1) Bangladesh 2) Columbia 3) Egypt 4) Philippines 5)Turkey

Work is gendered

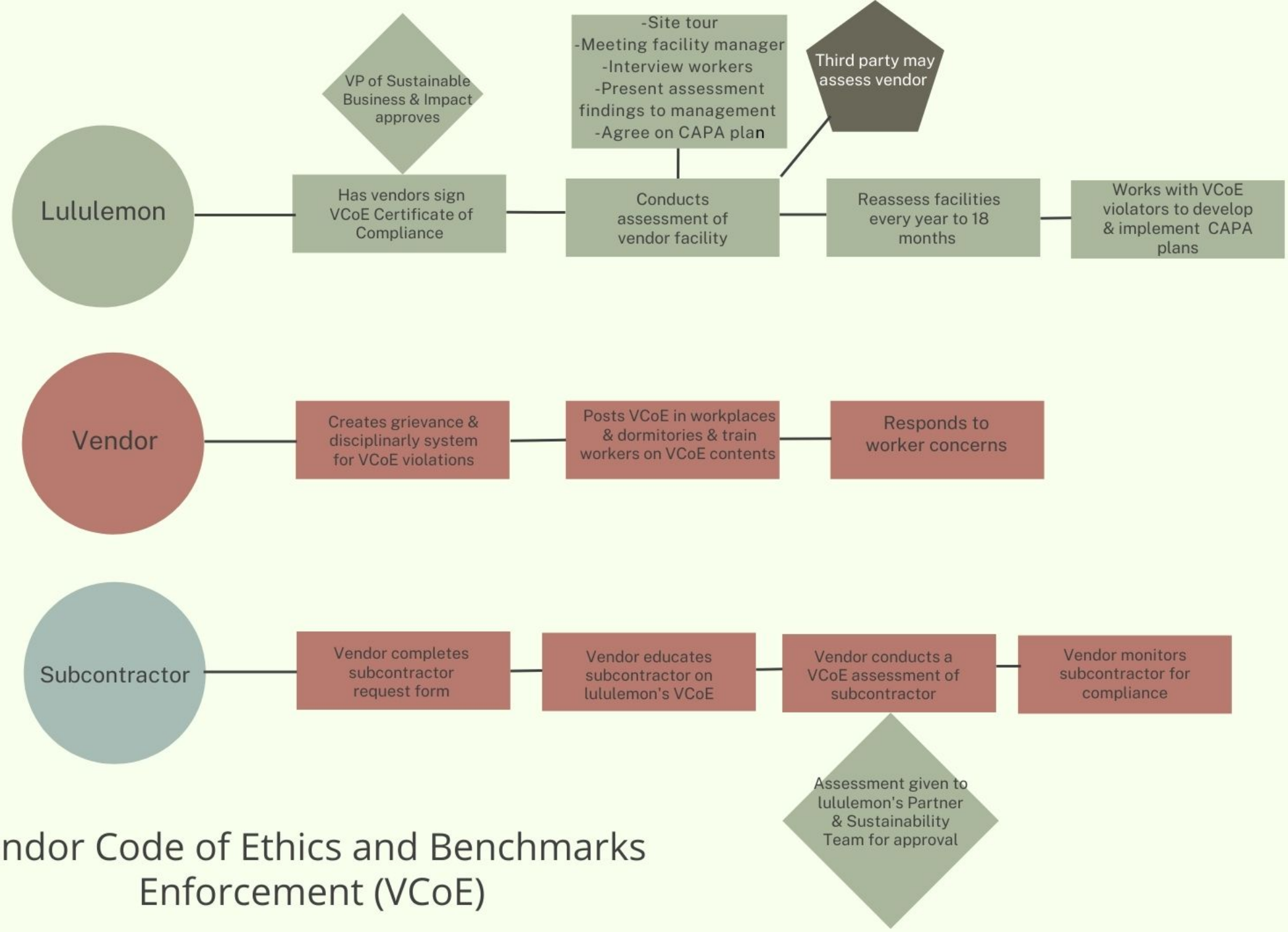
- 3 single largest manufacturing facilities: **Indonesia** (12,501+ workers 90% women), **Vietnam** (12,501+ workers 80% women), and **Bangladesh** (11,501+ workers 65% women)

Who's Covered: The Scope of lululemon's Forced Labour Policies



Suppliers of Lululemon Athletica Inc., 2021

Map based on published list of suppliers by Lululemon, May 2021



Vendor Code of Ethics and Benchmarks Enforcement (VCoE)

Lululemon's Foreign Migrant Worker Standard

"Vendors are responsible for ensuring that both the lululemon Code of Ethics and these Foreign Migrant Worker standards are fully implemented and fulfilled by its company, its subcontractors, and its recruiting agents" (FMW, 2018, p52).