



APPAREL, FOOTWEAR & TEXTILE SECTORS:

THINKING ABOUT YOUR SUPPLY CHAIN

Export Development Canada (EDC) is a financial Crown corporation dedicated to helping Canadian companies of all sizes succeed on the world stage. As international risk experts, we equip Canadian companies with the tools they need—the trade knowledge, financing solutions, equity, insurance, and connections—to grow their business with confidence. Underlying all our support is a commitment to helping Canadian businesses like yours become recognized as leaders in sustainable and responsible business, giving you the competitive advantage you need to succeed internationally.

The purpose of this document is to provide information to companies operating in the apparel, footwear and textile industries about issues you can consider including in your discussions and dealings with your suppliers.

OVERVIEW

The apparel, footwear and textile industries employ millions of workers worldwide, three quarters of whom are women. While the sector is an important contributor to economic and social development, it can expose Canadian exporters to a range of issues depending on the countries from which they procure, the relationship with their suppliers and the nature of their relationship with them.

These issues include poor labour and working conditions, as well as negative environmental impacts, such as local water pollution or improper use and disposal of toxic chemicals. The complexity and opacity of the value chains can make it difficult for any one brand or retailer to identify situations where such impacts are occurring.

WHAT CAN YOU DO?

There are measures you can take to minimize or avoid problematic issues arising from within your supply chain. Your relationship with your suppliers is an important factor. This is particularly true at the outset of your commercial relationship when you have the most influence.

Establishing your business standards and having open conversations with your suppliers, manufacturers and/or factories can be beneficial toward understanding their conduct and operations.

Building and maintaining relationships over a longer term can help foster understanding and trust, as well as identify risk mitigation options and opportunities to enhance business performance.

- **Review your purchasing practices.**
- **Implement a Code of Conduct that applies to the company, its suppliers and subcontractors.**
- **Communicate your labour and workers' rights expectations in all contracts and vendor agreements.**
- **Build long term relationships with your suppliers.**
- **Conduct audits to better understand your suppliers' performance.**
- **Participate in multi-stakeholder initiatives to address issues you feel are beyond your ability to influence on your own.**
- **Request disclosure of raw material sourcing.**

SOME QUESTIONS TO ASK YOUR SUPPLIERS

Awareness

What are the key environmental and labour-related impacts of your business and how are you managing them?

Working conditions

Do your workers' contracts specify the terms and conditions of employment?
Do you have any provisions in place to ensure reasonable working hours?
Are your workers able to join groups aimed at advancing common interests?

Approach to complaints or grievances

Do you have mechanisms in place for workers to raise any concerns arising from their day-to-day work? How are such concerns addressed?

RESOURCES & GUIDANCE

[Action, Collaboration, Transformation](#)
[Ethical Trading Initiative](#)
[Clean Clothes Campaign](#)
[KnowTheChain](#)

[Sedex](#)
[Sustainable Apparel Coalition](#)
[Worldwide Responsible Accredited Production](#)

KEY SUPPLY CHAIN CONSIDERATIONS

As a company procuring goods or services from different suppliers in this sector, you should consider whether any of your suppliers could be negatively impacting their employees or the surrounding environment, and the impact it can have on your reputation and/or business operations.

These considerations could include:



Child Labour



Gender Equality



Wages



Working Time



Forced Labour



Freedom of association



Water



Responsible Sourcing



Hazardous Chemicals



Health & Safety