

**From Policy to Practice:
Canadian Corporations, Modern Slavery, and the Supply
Chain Act**

*How do Canadian companies operating in Southeast Asian countries
respond to the 2024 Supply Chain Act?*

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Abstract

This thesis explores how Canadian companies with supply chains in Southeast Asia respond to Canada's *Supply Chain Act*, adopted in 2024, to address modern slavery in their global value chains. Despite the widespread press attention that this Act received, little is known about how this legislation influences corporate behaviour abroad. Through a qualitative content analysis of modern slavery statements from six Canadian firms operating in Vietnam, Malaysia, and Thailand, the study examines how companies disclose risks, conduct due diligence and engage stakeholders. The findings reveal wide variation in disclosure quality, with many firms only meeting the minimal legal requirements. The research highlights the gap between symbolic compliance and meaningful engagement and questions the effectiveness of transparency-based regulation in the absence of enforcement mechanisms.

Keywords: Modern slavery; Forced Labour; Global Value Chains (GVCs); Regulations, Southeast Asia, Supply Chain Act

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Introduction

Modern slavery and forced labour have become pressing global concerns, drawing significant attention from the media and governments over the past decade. In 2022, there were an estimated 49.6 million people were living in conditions of modern slavery, including 28 million subjected to forced labour worldwide (ILO, 2022). In response, governments around the world have introduced new regulations to address these issues, like the UK Modern slavery Act of 2015 and, more recently, Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (commonly known as the Supply Chain Act) of 2024.

According to Canada's *Supply Chain Act*, Forced Labour comprises *labour or service provided or offered to be provided by a person under circumstances that*

- **(a)** *could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or*
- **(b)** *constitute forced or compulsory labour as defined in Article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930.*

While developed nations have officially abolished slavery in the last century and the practice is widely considered unacceptable and illegal, one can argue that slavery has never ended and has simply evolved into newer forms. An example of such a phenomenon is the scandals around the Thai Fishing Industry. In both the Gulf of Thailand and the Andaman Sea, decades of ruthless fishing practices have led the kilos of fish caught per hour to plummet by more than 86% since 1966 (Environmental Justice

Foundation, 2015). The environmental destruction, combined with pressure from international supply chains to maintain low prices, has contributed to the widespread exploitation of workers. Investigations have revealed that migrant worker, especially from Cambodia and Malaysia were trafficked onto fishing boats where they faced various violations, like physical abuse, confinement, withholding of wages or debt bondages, all of which are indicators of modern slavery (International Labor Organization, 2013; United Nations Office on Drugs and Crime, 2019) These practices were ignored or inadequately addressed by authorities contributing to a supply of low-cost seafood for western markets at the expense of human rights.

There are numerous other examples that abound. In 2024, Lancôme was accused of working with subsidiaries hiring children in Egypt (ElShamy & Cox, 2024); in 2023, Walmart was accused of covering forced labour accusations into their supply chain (Ljunggren, 2023); in 2021, Zara was among many apparel companies that were accused of relying on forced labor in Xinjiang (Paton et al., 2021). Unfortunately, these are only a few examples taken from long lists of well-known brands and companies being accused of new allegations of modern slavery every year. This shows in detail how rooted modern slavery is in certain regions of the world and how ingrained its use is in the global supply chains of some of the most reputable multinational enterprises. These numerous cases of modern slavery are what lead governments around the globe to take the matter into their own hand and to tackle modern slavery through their own regulations, aimed at forcing companies to create due diligence plans and let the door open to punitive actions imposed by governments against companies not respecting newly developed laws.

Although the academic literature on modern slavery has expanded in recent years, most studies solely focus on the conceptualization of the phenomenon, its structural causes, like its socio-economic drivers and its impacts on affected populations and corporate responsibility (Caruana et al., 2020; Gold et al., 2015). While the emergence of national regulations addressing forced labour, child labour and modern slavery has received attention, few studies have observed their practical consequences for corporate conduct in foreign countries. There remains a significant gap in understanding how these legal frameworks influence supply chain governance, particularly in countries with elevated vulnerability to labour exploitation (LeBaron & Lister, 2021).

This gap will be addressed by examining the question: **How do Canadian companies operating in Southeast Asian countries respond to the Canadian Supply Chain Act?**

The study focuses on Vietnam, Malaysia and Thailand, countries with documented risks of modern slavery. Through a qualitative content analysis of the modern slavery statements submitted by Canadian companies under Canada's Supply Chain Act in 2024, the research explores how these companies disclose risk engagement with suppliers and implement due diligence in these contexts. In doing so, this study contributes empirical evidence of the effectiveness and extraterritorial reach of modern slavery legislation, offering insights into its implications for international business practices and responsible sourcing policies.

Literature Review

The existing literature on modern slavery, forced labour, and the regulations to eliminate it is vast. Worker abuse, as inhumane as forced labour, is oftentimes described as one of the biggest flaws of the modern economic world (Hampton, 2019). The following section will provide an overview of extant scholarship on modern slavery and forced labour and their drivers. The second segment of the literature review will examine the voluntary strategies and actions taken by companies to limit the use of forced labour and modern slavery in their global value chains (GVC). Finally, the last section will document the existing and upcoming regulations on the matter of modern slavery and forced labour put into place by developed economies, aiming at preventing their use within their borders, but also across the world.

History of slavery

Slavery has been practiced in many civilizations, starting in Mesopotamia and Egypt, with enslaved individuals working on large-scale construction projects but also in households (Richardson, 2023). It continued throughout history in Europe, Africa and Asia and the beginning of the Atlantic Slave Trade since the 16th century. The European expansion through colonization into the Americas created a massive demand for labour for cultivation. The Atlantic Slave Trade ended circa the 1860s (despite being illegal in the United States in 1808 and in Britain in 1807), but it does not mean that all slavery ended across the globe at this time. The Arab Slave Trade did not end before another century, with the open slave market in Morocco closing in 1922. A new era began in the 20th century, often described as the “modern slavery era,” in which globalization, deregulated

markets, and widening economic inequalities have enabled new forms of exploitation, particularly within complex global supply chains (Landman & Silverman, 2019).

In 2025, slavery continues to affect millions of individuals globally, despite being legally abolished in every country. Recent estimates indicate that modern slavery is increasing, with nearly 50 million people affected in 2021 (International Labour Organization, 2022). Several global developments have contributed to the rise of modern slavery, including economic shocks linked to the COVID pandemic, increasing rates of displacements due to conflicts, climate change and governance gaps persisting in labour markets (UNODC, 2021; International Labour Organization, 2022). Modern slavery is not confined to low-income countries; more than half of all forced labour occurs in upper-middle and high-income countries, particularly within private sector supply chains (International Labour Organization, 2022). These trends suggest that modern slavery does not decline despite regulatory efforts and that its presence is shaped by structural economic and social factors, rather than only by the absence of legal regulations.

Definitions

Modern slavery

Defining modern slavery is difficult, considering that no widely accepted definition exists. In 1926, in an attempt to eliminate slavery, slave trading and forced labour among its members, the League of Nations defined slavery as “the status or condition of a person over whom any or all the powers attaching to the right of ownership as exercised” (League of Nations Author, 1926). However, slavery, as described by the League of Nations, is a useful consideration of “ancient slavery” but cannot be the only definition used in

explaining the modern phenomenon (Patterson, 1982). Some contemporary scholars agreed to update the definition from the League of Nations, arguing that: “the powers attaching to the right of ownership” *should be understood as constituting control over a person in such a way as to significantly deprive that person of his or her individual liberty, with the intent of exploitation through the use, management, profit, transfer or disposal of that person. Usually, this exercise will be supported by and obtained through means such as violent force, deception and/or coercion.* (The Bellagio-Harvard Guidelines on the Legal Parameters of slavery, 2012). In the same guidelines, the authors emphasized the importance of “possession” to slavery. According to their writings, there is possession, and therefore slavery, when “control over a person by another, such as a person might control a thing” (Guideline 3, Bellagio-Harvard Guidelines). The definition of modern slavery, according to authors that participated in the creation of these guidelines, can be summarized as a *condition in which one or more individuals or organizations exercise complete control and possession of a person’s body, labor, capabilities and movement through the overt or threatened use of violence or other forms of coercion.* (Patterson & Zhuo, 2018). If a definitive definition has not yet been reached by governments, scholars, non-governmental organizations (NGOs), public institutions or trade unions, eminent scholars agree that modern slavery can be considered a violent, degrading and dishonouring labour activity (Kara, 2017); Bales, 2006); Patterson & Zhuo, 2018; Crane et al., 2022).

In conclusion, modern slavery is an umbrella term that describes different phenomena, such as forced labour, debt bondage, and forced marriage, amongst others.

Forced Labour

It is quite common for the concepts of forced labour and modern slavery to be used interchangeably. However, the difference between the two phenomena is important. Forced labour has been heavily discussed by governments in the last few decades. (Lerche, 2007). It can be defined as a form of modern slavery, which can be differentiated because it does not require a form of ownership of a person (Kara, 2017). The Forced Labour Convention of the International Labour Organization (ILO) of 1930 defined forced and compulsory labour 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.” (ILO authors, 1930). Based on this definition and through the decomposition of its parts, Allain (2018) argues that if labour “transpires in the context of the provision of work or service,” it is “compelled as a result of a threat,” and it “coerces the victim into labouring against his or her will” then it has to be considered as forced labour. Governments throughout the Western world will tend to use the definition offered by the Forced Labour Convention of 1930 as the proper definition of forced labour. Sometimes, they will add some details or further explanation, but most, if not all, will describe forced labour as it was done in 1930. (UK Modern slavery Act, 2015; Loi sur le devoir de vigilance, 2017; Fighting Against Forced Labour and Child Labour in Supply Chain Act, 2023; US CBP, 2021)

Bonded Labour

Bonded Labour is generally considered a form of forced labour. An individual is in debt bondage, or a situation of bonded labour, when an unpaid, unreasonable and without a

proper deadline or far too extensive deadline work is required to pay off a debt, personal or from a family member. (US Department of State; Kara 2012; Bales 2004). This is nowadays the most prevalent form of modern slavery in the world and is especially found in South Asia (Kara, 2017).

Given the intricate connection between the term defined in the previous section, and for a matter of clarity, this study will use the broader term “modern slavery” when discussing either modern slavery, forced labour or bonded labour. The goal of this work is not to put forward a definition which will be universally agreed upon; rather, it is to show that no matter how you define it, the phenomenon still exists and that governments are acting against it.

Domestic Drivers of modern slavery

Modern slavery, in all its forms, is rooted in the domestic structures and practices of individual nations. In this section, we will discuss the internal factors driving modern slavery. That is, we will explore how economic, political, and social conditions can create fertile ground for unfair labour practices to persist within a country's borders.

At the root of this analysis is the examination of capitalism as a domestic driver of modern slavery, and especially how the emphasis it puts on profit maximization and efficiency can and will lead to economic coercion. Income inequality, labour market vulnerabilities, and absent legal protections all enable these exploitative practices. Finally, our review will highlight how the barely functioning safety nets and institutional gaps in many developing

countries disproportionately affect marginalized groups and make them vulnerable to labour exploitation.

Capitalism as a Driver of Modern Slavery

Unfree labour is the definition used by Karl Marx and, consequently, Marxists *to capture the full range of coerced labour relations that exist in the capitalist global economy* (Rioux et al., 2019). It differs from the standard and commonly used definition of modern slavery in different ways, especially considering that it takes into its scope the effect of economic coercion, not limiting itself to “forced” labour. Adam Smith condemned slavery on economic grounds and even associated it with a lack of development. He acknowledged that capitalism would prefer free workers (in the sense of workers free from coercion) for the consumption they could bring to the economy. However, according to Smith, the reason capitalism could not eradicate slavery was based on humanity’s tyrannical disposition (Rioux et al., 2019). Capitalism can be considered a domestic driver of modern slavery since it allows for the perpetuation of exploitative labour conditions within nations through various mechanisms. At the core of capitalism, one can find the idea of profit-seeking activities (Smith, 1776; Friedman, 1970; Marx, 1867). This phenomenon leads companies to a cost-cutting approach to their business activities. In order to do so, they have different approaches available to them. One is pushing down wages and lowering working conditions to increase their profit margins. The pressure caused by this perspective of profit maximization can and will result in labour exploitation and, if pushed to its limit, modern slavery or forced labour. Managers of companies will have to rely on excessively low wages and will disregard the labour standards they impose on the workers, not ensuring them a decent work environment. The industries most touched by

cases of modern slavery are the agriculture industries and the manufacturing industries, which are all more prevalent in countries in the first phase of capitalism, historically less developed and less regulated economies (Lebaron, 2020, p.45; Bales, 1999; Phillips, 2011).

Another reason capitalism is a driver of modern slavery is that it often pushes developing economies to have a highly flexible labour market. This phenomenon is a synonym of a considerable increase in informal (Sassen, 1998) and insecure jobs (Harvey, 2005), creating cases of “precariat”: insecure and temporary workers with informal jobs (Allen & Ainley, 2011). Ultimately, this can be argued as a step in the wrong direction towards modern slavery and forced labour. This is caused by the capitalist drive for cost reduction and cost efficiency, which is done at the expense of working conditions and worker stability (Harvey, 2005; Beck, 2014). Another reason capitalism is a driver of modern slavery lies in the aspect of concentration of power by a small share of the population, leading to abuse of power and exacerbating social inequality. Workers in a capitalist environment do not own the means of production, allowing the capital-owning class to exploit the workers in a disadvantaged position (Marx, 1867). The lack of options and bargaining power will push workers into workplaces that do not respect decent standards, with the capital concentration of the ruling class impacting their choices, leading the workers to insecure employment without negotiation power (Bourdieu, 1984). The authors give a complete critique of capitalism, and especially neoliberal capitalism, arguing that it is the capitalist characteristic of wealth concentration that enables large corporations, MNCs, and local firms to exploit workers, leading them to forced labour and modern slavery situations. Not having alternatives allows corporations to impose unfair labour

conditions on workers and allows modern slavery and forced labour to arise. (Piketty, 2014; Harvey, 2005; Marx, 1867). In a capitalist economy, domestic companies can be at the root of pressure on their supply chains, and in the case of outsourcing to smaller suppliers, the tight deadlines and low prices that the supplying companies impose can lead to bad practices to keep up with the demand. Cutting costs will increase the likelihood of reducing labour costs and, therefore, wages, which will lead to poor labour conditions (Locke, 2013). Having suppliers for outsourcing or subcontracting for domestic companies and also for MNCs will cause a “fissure,” as mentioned by Weil (2014), which distances companies from direct oversight of the operations, which will enable labour abuses if the suppliers struggle to meet the cost or deadline demands. All of the reasons mentioned in this paragraph help one understand how capitalism will be a driver of modern slavery in some countries if the regulations in place are not well preserved and enforced. However, if many authors argue that capitalism is at the root of modern slavery, there exists an opposite argument, mentioning the importance of capitalism in the fight against modern slavery and that this economic theory is helping reduce cases of human rights violations in the workplace.

Institutional quality and authoritarianism

Modern slavery is deeply linked to the quality of institutions and the structure of governance within a nation. Capitalism plays a significant role in shaping labour dynamics. However, the strength of institutions and the presence (or absence) of authoritarian governance have an equally important impact on the prevalence of exploitation. Weak institutional powers and authoritarianism foster environments where

economic coercion thrives, while a strong institutional framework can serve as a safeguard against labour violations.

Countries with the highest number of modern slavery cases, such as Cambodia (Brickell et al., 2019), Thailand (Human Rights Watch, 2018), Malaysia (Kelly, 2014), or Vietnam (Sreedharan et al., 2018), often exhibit institutional weaknesses, allowing for labour violations to flourish (Vidwans & Jamal, 2019). They include inadequate labour laws, low (or absent) enforcement mechanisms, and corruption within the governance systems. Institutions in these countries fail to uphold the rule of law and to protect vulnerable individuals from exploitation. More than weak institutions, authoritarian regimes further intensify these vulnerabilities (Kara, 2017; Lebaron, 2020). In authoritarian states, rapid economic growth and state control are almost always prioritized over labour protections. For instance, in Cambodia, reports have highlighted cases of modern slavery and forced labour in sectors like construction and brickmaking, which are commonly linked to corruption and weak institutional oversight (Brickell et al., 2019). Cambodia's authoritarian governance enables these exploitations by suppressing workers' rights and prioritizing state interests over the protection of workers.

Institutional quality, oftentimes linked to capitalism, is a crucial topic when discussing the domestic drivers of modern slavery and forced labour. While capitalism and the institutional quality of a country appear as major domestic drivers of modern slavery and forced labour, other factors play an equally important role. Factors on a legal, social, cultural and even systemic level can all be mentioned as domestic drivers of modern slavery. Some authors have focused mainly on capitalism as the root of modern slavery in the contemporary world (Rioux et al., 2019; Burnard & Riello, 2020; Inikori, 2020), but

others have decided to take another direction when looking at modern slavery and forced labour. They do not necessarily argue against the influence of capitalism as a driver of modern slavery but mention structural inequality or social exclusion as factors as important to the matter. The next section will dive into elements that transcend capitalism, underlying the social, cultural and political forces contributing to the exploitation and labour law violations.

Beyond Capitalism

If capitalism and institutional weaknesses can be seen as major drivers of modern slavery, they are not the only factors. The goal of this section is not to take away any of the responsibility of capitalism when it comes to being a domestic driver of modern slavery, but simply to give a perspective to other domestic factors which have to be taken into account when looking at the number of slaves in the world. Marginalized populations, which oftentimes come with a lack of socioeconomic opportunities, socially excluded individuals, and victims of the “social death” phenomenon (Patterson, 1982) and without legal protections, are the ones the most touched by cases of forced labour, regardless of the economic system in place (Bales, 1999; O’Connell Davidson, 2015). Other domestic aspects driving modern slavery are institutionalized practices, which can be linked to social and cultural norms. In his book *Modern slavery: A Global Perspective* (2017), the author Siddarth Kara examines how cultural norms and traditions in regions such as South Asia and South-East Asia contributed to child and forced labour increase in number of cases. He argues that more than economic needs or coercion, it is family obligations or community expectations that lead individuals into situations of forced labour. Gender

roles also have been at the root of modern slavery, increasing the vulnerability of individuals, prioritizing family honour and traditional norms, leading them to situations of forced labour (Shelley, 2010). Another leading scholar, Allain (2012), wrote about how local customs can influence the perspective of what are exploitative labour practices, which can be a factor contributing to the perpetuation of modern slavery practices. Linked to the cultural aspects of cases of modern slavery, authors have also argued about the institutionalized practices of exploitation, which are frequently bound to cultural beliefs. In developing regions such as Asia or Africa, institutionalized forced labour comes from corrupted institutions, contributing to exploitative practices (Kim & Blitz, 2023). As one can see from the existing literature, capitalism is far from being the only domestic driver of modern slavery in our world. Scholars have put together many studies showing how other factors can have a considerable impact on the number of slaves in different countries. It is important to keep in mind that even if capitalism is at the root of many cases of modern slavery, other important circumstances can lead individuals to be coerced and to become modern slaves or forced labourers.

However important the drivers of modern slavery are, whether it is capitalism or others, it would not be right not to take into account the globalized aspect of the world economy as we know it today and to take a deeper look at what the global drivers of modern slavery are.

Global Drivers of Modern slavery

Capitalism is the dominant global economic system and often praised as the most efficient economic structure, yet its global mechanisms can be questioned when it comes to human rights, particularly modern slavery (Crane, 2013; Lebaron, 2020). The Atlantic

Slave Trade, one of the better-known slavery commerce in recent history, is a great example of it. Profit-seeking European merchants went to the Americas to sell (oftentimes, shadily obtained) slaves from Africa. From a European perspective, this can be considered as one of the first instances of globalization and was mainly due to the thirst of European aristocracy to get their hand on wealth from the outer sea. If the Atlantic Slave Trade can be considered as such, eminent authors have argued for one perspective or the other. On the one hand, one can find authors arguing that capitalism and globalization will deter human rights and lead to forced labour and modern slavery (Banerjee, 2020; Rioux et al., 2019). Considering the Atlantic Slave Trade and what has been mentioned prior, this argument seems to have a deeply grounded explanation. However, authors have built arguments for a perspective depicting globalization and capitalism as the economic models able to prevent and further down erase modern slavery from the world economies (Landman & Silverman, 2019; Machida, 2017). This argument is widely based on the idea that since the implementation of capitalism, modern slavery numbers have been decreasing faster year after year.

In a world as globalized as the one we live in, it is important to mention the importance of the internationalization of supply chains. This phenomenon led to the creation of a concept called GVCs (Gereffi et al., 2005, Sturgeon & Gereffi, 2013). It can be defined as the *international expansion and geographical fragmentation of contemporary supply chains* (Gereffi & Lee, 2012). If such globalization is often seen as a synonym for development and growth, it is argued that it has led to some negative impacts (Lee & Vivarelli, 2006). One of them being cases of modern slavery (Altieri, 2020; Stringer & Michailova, 2018; Brown et al., 2024; Lamas, 2023). Authors have argued that, as bad

as anyone would consider it, modern slavery is a successful business (Stringer & Michailova, 2018), and various drivers are leading to its existence in GVCs. Among these drivers is the “race to the bottom” (Barrientos et al., 2011), creating conditions in which exploitative practices like modern slavery are not only possible but economically incentivized.

Capitalism as a system preventing economic coercion

The ILO defines forced labour (a major component of modern slavery cases) as “all work or service which is exacted from any person under the menace of any penalty and for which the person has not offered himself voluntarily” (ILO, 2022). Authors argue that this form of exploitation is amplified by global economic structures, which prioritize cheap labour and result in "forced labour for private economic exploitation" (Lerche, 2007) in a globalized capitalist economy. This specific kind of forced labour is the one that is the most notable and represents the biggest share of cases throughout the world. Countries with the highest prevalence of modern slavery in 2024 are countries that can hardly be considered to follow a capitalistic model in their economic governance and policies. Most of these nations, such as Cambodia, Thailand, Malaysia, or Vietnam, are all developing countries with high state control and interference, seemingly against core principles of capitalism (Arora & Stephen, 2023). This observation is illustrated in the following table, presenting a comparison of countries based on the prevalence of modern slavery as measured by the 2023 Global Slavery Index (Walk Free Foundation), their economic model, as classified according to the International Monetary Fund (IMF) methodology (Jahan & Mahmud, 2025) and the degree of state control over the economy using the

Index of Economic Freedom (The Heritage Foundation, 2025). As the table shows, countries with some of the highest prevalence rates, such as Eritrea, Saudi Arabia or Mauritania, operate in an economic system diverging significantly from liberal capitalist norms. These include authoritarian command economy, state-guided capitalism or mixed economy, all of which feature high to very high levels of government intervention with limited market autonomy. These can be found as well in Southeast Asian nations, which are more integrated into global markets and yet maintain substantial state influence over economic activity (Jahan & Mahmud, 2025; The Heritage Foundation, 2025). Countries with coordinated market economies and low levels of state controls, like Japan, Germany and Norway, report significantly lower modern slavery prevalence. This suggests a potential correlation between heightened state control and increased vulnerability to forced labour, supporting the argument that transparent and liberalized economic governance may contribute to lowering the risks of modern slavery prevalence.

Table 1 - Country-Level Indicators of Modern Slavery Risk and Economic Governance

Country	Prevalence per 1,000 (GSI)	Economic Model (IMF)	State Control Rating (Heritage Foundation)
Eritrea	90.3	Authoritarian command economy	Very high
Mauritania	32.0	Mixed traditional economy	High
Saudi Arabia	21.3	State-guided capitalism	Very High
Malaysia	6.3	State-guided capitalism	Moderate
Thailand	5.7	Mixed economy	Moderate
Cambodia	5	Mixed economy	High
Vietnam	4.1	State-guided capitalism	High

Japan	1.1	Coordinated market economy	Low
Germany	0.6	Coordinated market economy	Low
Norway	0.5	Coordinated market economy	Low

Source: Global Slavery Index 2023 (Walk Free), International Monetary Fund (IMF), Heritage Foundation Index of Economic Freedom.

Free markets, the right to property, and free competition all aim to empower individuals (Friedman, 1962) by offering them various economic choices and ways to achieve upward mobility. As mentioned previously, the countries with the highest prevalence of slaves and forced labourers are mainly socialist nations, where state involvement is particularly high. Guillebaud and Hayek (1944) argue that a market-driven society (therefore, a capitalist society) preserves individual liberty. This argument can be applied to the current state of modern slavery in the world. Most of the countries with high numbers of modern slavery prevent their citizens from reaching economic freedom, which would help them avoid economic coercion. They do so by not adopting a capitalist approach to their economic policies. The economic freedom brought by capitalism, according to authors, is the first argument in favour of seeing it as a system that prevents modern slavery. Individual freedom and dignity coming from capitalism and economic capabilities will help reduce vulnerability to exploitation (McCloskey, 2010). Capitalism plays a role in preventing forced labour and modern slavery since it is often linked to the institution of regulatory frameworks, resulting in the protection of workers. Examples of such policies are minimum wage laws or labour rights protections. These policies aim to prevent economic coercion and are best working in capitalist economies with a state embedded in society, able to regulate economic actors (Evans & Wright, 1996). Authors

will argue that capitalism, as an economic theory, can prevent economic coercion, but it is even more successful at doing so when paired with a welfare state developing regulatory frameworks protecting the most vulnerable while allowing for economic freedom (Marshall & Hamilton, 1951; Pierson, 1996). The existing literature on the topic of capitalism and modern slavery helps us understand how this economic theory can be a useful first step in the direction of modern slavery prevention, but it is also important to note that most authors argue that capitalism by itself will have a hard time suppressing labour laws violations and human rights violations and that it is paired with a welfare state that it can best prevent economic coercion.

GVCs used by most of the MNCs in the world can take advantage of these institutional voids and regulatory weaknesses in these countries, which create conditions that can lead to labour exploitation (Khanna & Palepu, 2000; Gereffi & Luo, 2018). Modern slavery fits well into the theory of GVCs because companies, following their basic goal of maximizing profits, will always want to reduce costs. Governments in authoritarian regimes seek to attract more companies in order to generate revenues from their activities on their territory while maintaining their grip on the political atmosphere. As a means to do so, corrupt governments will not hesitate to lower labour laws and close their eyes to workers' rights violations. Lowering their standards will allow for MNCs to come at a lower price, which will, in the end, favour modern slavery and forced labour practices. This permissive context can enable exploitative practices and modern slavery within GVCs, particularly in sectors where low production costs are prioritized over workers' rights.

A “Race to the bottom”

The concept of “Race to the bottom” illustrates a phenomenon where countries drag each other’s standards and requirements down based on the idea that the most relaxed regulation will necessarily attract MNCs looking for easier and cheaper alternatives in their production and their GVCs (Rudra, 2008). From a company perspective, the shift in competition from a localized contention to a global one is causing intense pressure. Scholars argue that this newly induced pressure will drive down wages (Gereffi, 2015) and labour standards (Rama, 2003; Akyuz et al., 2002). As a leading scholar on the topic of GVCs, Gary Gereffi discusses in many papers how global corporations will put pressure on their suppliers to minimize their costs as much as possible (Gereffi et al., 2005; Gereffi & Frederick, 2010; Gereffi, 2014; Gereffi & Lee, 2016). Putting into place such a plan is seen as a competitive strategy for MNCs, which can help the latter reduce their operation and production costs, placing the burden on smaller suppliers to whom they subcontract their production activities. In industries with high low-cost demand, mainly located in developing nations such as Southeast Asia, Africa, or South Asia, the globalized markets have forced labour to become “profitable.” As inhumane as forced labour conditions can be, putting individuals into these situations might be the only way to succeed on an economic level and to compete with other suppliers or subcontractors. Exploitative labour practices are strongly interconnected with cost-cutting pressures, largely caused by the globalized market and the access to a larger pool of suppliers and subcontractors for MNCs (Bales, 1999). This “race to the bottom” is also caused by the implementation of hubs for labour-abusive industries in environments with weaker regulations in place. Governments will reduce their labor legislation to make their labor cheaper and attract

MNCs. In such a situation, where labour laws are getting too lax, these modifications to the regulations in place are an invitation to MNCs to relocate or to open their production centers in such an environment, not to be bothered by demanding labour laws (Bair, 2005). This phenomenon will take place in low-cost-high-demand industries, such as the apparel industry (Gereffi et al., 2009; Handfield et al., 2020), fisheries (Vandergeest & Marschke, 2019; Fischman, 2017), or manufacturing (Brown et al., 2019). Another phenomenon is the idea of “subcontracting chains,” which will cause opacity in the GVCs and allow labour exploitation to go undetected (Wong & So, 2004). Overall, the globalized aspect of the current markets will lead to the possibility of labour exploitation, which will be able to go unnoticed considering the complexity of the GVCs of Multinational Companies. This “Race to the Bottom” is largely driven by intense cost pressure within GVCs and the need for always lower prices, both on the producer and consumer side. For many firms, particularly in developing countries, reducing labour costs becomes a strategy for maintaining competitiveness and securing contracts with MNC buyers subject to pricing constraints (Gereffi et al., 2005; LeBaron, 2020). Scholars have greatly discussed the topic and have given a lot of insight into how the globalized economy can be at the root of modern slavery and forced labour in a world where it has largely been banned by supranational institutions (Bales, 2012; Crane et al., 2019; LeBaron, 2020; Phillips, 2011).

Economic competition, and especially winning the economic competition between developing countries, is highly reliant on bilateral and multilateral trade agreements. Developing countries have been pushed to adhere to trade agreements, allowing for developed nations to access their economies and mostly access their cheaper, less

regulated workforce (Bair & Palpacuer, 2015; LeBaron & Lister, 2016). However, such a phenomenon is highly criticized by some scholars and lawmakers. In fact, an argument in favour of free trade agreements has always been that they brought down exploitative practices and favoured higher labour standards implementation through a more globalized approach to labour standards. In reality, trade agreements are achieving both: enabling progress in some contexts while also facilitating cost-driven exploitation in others (Harrison et al., 2019).

In a governmental effort to prevent modern slavery, the “labour clause” has been added to many trade agreements in recent years. This trend comes from an effort of many nations to limit the abuse of workers and to improve their conditions, especially in developing countries. It is also a tool for developed nations to prevent MNCs from outsourcing or moving their production to standard regions in order to get a competitive advantage or for cost-efficiency reasons, which can be detrimental to a developed nation’s workforce. However, it is correct to mention the “labour clause” in trade agreements, but one needs to understand that there is a lack of enforcement of these clauses (Harrison et al., 2019).

Another point worth raising is the trade-off that developing nations face when it comes to deciding between the implementation of stricter labour regulations and the need for the revenue that MNCs bring in when they decide to supply part of their GVC within their borders. Developing nations’ competitiveness is, in some cases, highly dependent on the less demanding labour laws, since it brings in more and more MNCs, often, at the expense of their workforce (Barrientos et al., 2011). Many of these nations have had to make decisions in the past, and when deciding upon new labour law regulations, it is

common for them not to implement harder labour laws, fearing the potential financial loss. Other nations decided to bypass this problem by implementing and enforcing new and stricter labour laws while creating “Special Economic Zones” where these regulations do not apply in the same way (Gallagher & Zarsky, 2007). Further, companies are drawn to these regions because, on top of the less demanding labour regulations, there are oftentimes tax incentives to move their production centers there. These “Special Economic Zones” have become a strong strategic move from governments of developing nations to tame down demands of international and supranational institutions when it comes to labour laws regulations, while still attracting MNCs to move parts of their GVCs into their country and therefore profiting from their spending and taxation. This economic competition between countries has led many of them to adopt this kind of dishonest maneuver, considering the potential for profits MNCs bring in when deciding to move their GVCs there. Part of the problem lies in the need for a supranational institution enforcing some of the international laws when it comes to forced labour and modern slavery. However, taking the example of the ILO, one can see that this organization can only provide guidelines to MNCs and governments, and does not have any kind of legal power (Lebaron, 2020).

Mitigation of modern slavery through the imposition of standards

MNCs have been pointed at when it comes to the reason behind the prevalent existence of modern slavery in GVCs (Stringer & Michailova, 2018; Hampton, 2019; Meehan & Pinnington, 2021). However, the past decade has seen a growing body of regulations and standards aimed at mitigating these risks. International organizations like

the ILO have played a crucial role in promoting improved labour standards and establishing frameworks. Recently, there has been a shift toward legally binding mechanisms at the national level, reflecting what can be described as a shift in “responsibility boundaries”, which is the distribution of responsibility among states, international institutions, lead firms and civil society (Schrempf-Stirling & Palazzo, 2013)

Several high-income countries have enacted new supply chain legislation requiring companies to perform due diligence and report on their activities. These include the UK Modern Slavery Act (2015), the Australian Modern Slavery Act (2018), Germany’s Supply Chain Due Diligence Act (2023), and Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (2024). While enforcement varies, these laws recognize that labor exploitation is a global issue and aim to hold MNCs accountable for labor practices that occur in their suppliers and subcontractors. This marks a shift from voluntary corporate social responsibility to mandated compliance and transparency.

Many international organizations, MNCs and governments from developed economies have decided to start developing regulations to address modern slavery in their GVCs. Their efforts greatly come from the call for action from supranational organizations, and more specifically, the ILO. In the absence of strong global regulations, many companies have developed private governance initiatives and voluntary standards to address issues related to social upgrading in their supply chains (Barrientos, Gereffi, & Rossi, 2011). These include ethical sourcing programs, supplier codes of conduct, and multi-stakeholder initiatives aimed at improving working conditions in low-income production contexts. Many decided not to wait for governmental regulations to improve the working conditions of their workers, or to push suppliers into upgrading their working

conditions. Instead, they adopted private governance mechanisms aimed at improving the workers' working conditions, both within their operations and across their GVCs. A central feature of such efforts is the practice of cascading compliance, a phenomenon where lead companies impose social and labour standards onto their suppliers through various mechanisms like codes of conduct, contractual clauses, and procurement requirements, which enables firms to govern labour conditions across GVCs without direct ownership (Van Assche & Narula, 2022). This model has become a cornerstone of private governance in GVCs, and is often supported by social audits, certifications and monitoring systems (Locke et al., 2007; Stoian & Gilman, 2016). However, while cascading compliance can expand the reach of ethical commitments, its effectiveness depends heavily on local enforcement capacity, supplier willingness and the ability of lead firms to monitor distant and informal tiers of production. These standards are then expected to cascade further down the supply chain, down to Tier 2 or 3 suppliers. To monitor this compliance, companies rely on social auditing and certification schemes, although their effectiveness is still under scrutiny. (Anner, 2012; LeBaron & Lister, 2016). This phenomenon has led many workers to have an improved working environment, better security and an overall better experience in their workplace (Lee & Gereffi, 2015).

These new standards come from guidelines given by international and supranational organizations, such as the ILO, the United Nations (UN) or the Walk Free Foundation. Companies have been implementing strategies to reduce Modern slavery in their GVCs. With the current trend of implementing Corporate Social Responsibility (CSR) in order to differentiate themselves (Stoian & Gilman, 2016), companies have come up with new sets of standards, which have been participating in reducing modern slavery.

Such strategies have had a certain success, and more and more companies have been implementing them voluntarily. In fact, companies are engaging in these strategies because they are conscious of the need to protect workers in countries where regulations do not necessarily do so, and MNCs can also see the impact it has on their brand reputations. With the growing concerns of consumers regarding the topic of modern slavery in the supply chains, companies can absolutely use the implementation of CSR practices in said supply chains as a marketing argument, which will, therefore, result in an increase in sales and brand awareness. However, it is important for the companies to act on what they mention they are doing regarding the protection of workers in their GVCs, and this is why there is a growing number of audits of international suppliers done by MNCs and the implementation of tougher monitoring systems. As mentioned previously, companies are quite conscious of the increase in sales that can be linked to having fair labour standards, but it is also important to mention that in cases where it is brought to the public that an MNC has been using forced labour or that there are modern slavery cases in its supply chains, then the impact on sales can be as huge (Yagci Sokat & Altay, 2022). This is the reason why MNCs have been investing in the improvement of their auditing systems and the monitoring of their suppliers in foreign countries where they have production centers, especially in countries with flexible labour laws, which can lead to abuse from suppliers (Benstead et al., 2020).

MNCs have been using stricter auditing and monitoring systems, but are not limiting themselves to this strategy. One can also observe a rise in collaboration between NGOs and MNCs. The latter are now asking for help from NGOs to make sure that the supplier they are in business with (or planning to do so) is not hiding any ill practices.

Companies seek external expertise to identify labour abuses and assess supplier compliance, especially in regions where local governments lack the capacity or willingness to enforce labour standards (Locke, 2013; LeBaron & Lister, 2016). These collaborations at the initiatives of both MNCs and NGOs are well-regarded by consumers concerned with ethical sourcing (Fransen & Kolk, 2007). In turn, they can also help increase brand awareness and reputation (Kolk & Tulder, 2005).

These CSR strategies, combining audits, monitoring and engagement from civil society, have also contributed to the development of international labour certifications such as Fair Trade or SA8000, which are awarded to companies or suppliers meeting defined criteria (Bartley, 2007; O'Rourke, 2006). The growth of these certifications, whose the expanding role from the private sector in labour governance, particularly in developing countries where legal regulations are weak or fragmented. These certifications not only help improve workers' conditions but also serve as a market differentiation tool (Vogel, 2008).

Even if questions remain on the consistency of these impacts, research has shown that private governance mechanisms can contribute to improved health and safety conditions, reduced forced labour risks and better compliance with international labour norms, especially when paired with independent oversight and pressure from civil society (Barrientos & Smith, 2007; Anner, 2012). In the end, all of these strategies are bringing positive effects on the companies' sales, awareness and reputation while improving the working conditions of workers in developing nations, where local regulations might not have been doing enough to do so.

Pressure faced by companies in response to national legislation

Industry-specific pressures

In response to national regulations, companies with GVCs may face different pressures depending on their industry. These pressures have different roots, from the nature of the industry, the type of goods the company produces, to the complexity of its supply chain. Industries heavily reliant on low-cost labour, such as textiles, electronics or manufacturing, may encounter more significant challenges in ensuring compliance with modern slavery regulations and are consistently flagged as high-risk in countries with weak enforcement of labour protection (LeBaron, 2021). These industries are often characterized by many contractors and subcontractors, resulting in a highly tiered supply chain. This makes it difficult for companies to monitor and enforce labour standards across all levels of production (Soundararajan & Brammer, 2018).

In high-risk industries, where exploitation and modern slavery are more prevalent, companies are likely to face increased scrutiny. This pressure from stakeholders, including customers, investors or NGOs, will lead to a demand to demonstrate compliance with existing national regulations. The apparel sector, for instance, which has been linked to cases of modern slavery, forced labour or trafficking, often undergoes intense public and regulatory pressure to improve working conditions and eliminate abusive practices (Barrientos et al., 2011). On the other hand, industries like the tech industry, while facing supply chain scrutiny, have faced different concerns related to the extraction of raw material from regions with weak labour protections (Calvão et al., 2021).

These industries face distinct challenges in ensuring ethical sourcing, given the complex nature of their supply chains.

Further, industry-specific norms and expectations play a significant role in shaping how companies navigate these pressures. Industries with well-established ethical sourcing practices may have more robust systems in place to monitor supplier compliance. This is often due to increasing consumer demand for sustainable and ethically produced goods (Andorfer & Liebe, 2015).

Thus, companies are differently impacted based on the nature of their industry when it comes to managing labour conditions across their GVC. This requires industry-tailored strategies to ensure compliance and mitigate the risks.

Country-specific pressures

The pressure faced by companies in response to national regulations on modern slavery is also shaped by the countries in which they operate. Different national contexts, ranging from the legal and regulatory frameworks to political stability and cultural attitudes towards labour rights, will create varying levels of pressure to comply. The effectiveness of these regulations, combined with the enforcement capacity of local governments, plays a crucial role in determining companies' responses.

In countries with robust legal frameworks and strong enforcement mechanisms, companies may face less difficulty in ensuring compliance with national modern slavery laws. In high-income countries like the UK, companies are expected to take immediate action to comply with demanding reporting and due diligence requirements, under the UK Modern Slavery Act, for example. These laws are often accompanied by stronger enforcement mechanisms, such as government oversight or fines, compelling companies

to take them seriously (Flynn, 2019). In contrast, companies operating in countries with weaker legal enforcement or partial labour protection may face fewer immediate pressures to comply.

The political context also shapes the pressure companies face. Countries with political instability or authoritarian regimes will often have weaker rule of law, making it more challenging for companies to comply with local modern slavery regulations (Maier, 2021), if they exist. On the other hand, in countries with more transparent and accountable governance, companies are more likely to face stronger and more consistent pressure to adhere to human rights and labour laws, especially when public opinion drives regulatory enforcement (Amengual et al., 2022).

The pressures companies face in response to national modern slavery regulations are shaped by the strength of the regulatory framework, political stability and governance quality of the countries in which they operate. The discrepancy shows the importance of both national policies and political contexts in shaping corporate behaviour and the effectiveness of modern slavery regulations.

Modern slavery in Southeast Asia

As mentioned extensively in the prior sections, modern slavery cases are disproportionately reported in countries with lower governmental standards, weak institutional frameworks and cheaper labour markets. These economies are more likely to attract MNCs looking for lenient regulations and, therefore, a more affordable workforce. Further, these companies are likely to be producing goods with high market

pressure to reduce costs due to their highly competitive nature in the global markets, such as the garment industry, agriculture, fishery or manufacturing.

In the previous sections, the Asian continent has been shown to have a high prevalence of cases of modern slavery. These previously mentioned cases are, therefore, using unfair labour from Asia, and more specifically, South Asia and Southeast Asia. Following the arguments made by the previously mentioned scholars, it seems that an extensive study of the impact of a newly enforced developed country's regulation, such as Canada's Supply Chain Act, needs to be conducted in the Southeast Asian region. Thailand, Vietnam, and Malaysia are all Southeast Asian countries particularly touched by cases of Modern slavery. Considering how often they rank in the prevalence of modern slavery cases, looking at how the Supply Chain Act affects the activities of Canadian companies there will help the analysis to understand its effect. What are the different regulations?

Different nations have put in place programs aiming at preventing the use of modern slavery or forced labour in MNCs' global value chains. In order to understand the impact of such regulations on GVCs of MNCs, it is important to have an extensive study of the existing regulations on the matter from developed economies. In the following section, an exhaustive list of the existing and developing regulations of modern slavery from developed economies is shown. In the accompanying table, one will be able to see the different approaches taken by governments in their efforts to prevent the use of modern slavery by their national MNCs and by companies within their borders, but also across the whole GVCs of these organizations. This list is subject to change as most countries

are still often modifying the regulations and adding stricter standards to match the evolving economic environment.

International Labour Organization

The ILO plays an important role in shaping the efforts of MNCs and governments to reduce modern slavery and forced labour in GVCs. This organization offers comprehensive guidance, fosters crucial partnerships and establishes international standards. The ILO establishes binding and non-binding international labour standards. An example of these standards is the Forced Labour Convention of 1930, often mentioned as a groundbreaking text addressing the elimination of forced labour in the world. The 2014 Protocol to the Forced Labour Convention (ILO, 2016) further extended state obligations to include prevention, protection and remediation. It has been used as a basis by many governments when developing their own regulations regarding forced labour and modern slavery.

Beyond standards, the ILO also provides guidance to MNCs and governments as to how to identify and mitigate forced labour practices, and the institution also offers data-driven insights for MNCs aiming to guide them in their internationalization decisions and their corporate strategies. The ILO promotes due diligence frameworks, helping companies to identify, prevent, and address cases of forced labour within their GVCs, using instruments like the *UN Guiding Principles of Business and Human Rights* (United Nations, 2011) or the *OECD Due Diligence Guidance for Responsible Business Conduct* (OECD, 2018).

Most of the ILO's work lies in the direction and counsel it offers governments, institutions and MNCs regarding how to tackle the various forms of modern slavery and

forced labour. This institution has had a tremendous impact on the different regulations implemented by developing and developed economies. Its guidance has been implemented in trade agreements and national regulations as a tool to mitigate and reduce the risk of modern slavery, forced labour and child labour. Individuals and governments can count on the ILO to act in favour of workers' rights protection and the improvement of labour standards throughout the world.

As it has been mentioned, the ILO's guidance is a tremendous tool to individuals, governments, MNCs and workers to ensure the labour rights and working conditions are up to standards, however, the ILO does not have a punitive power and all it offers is guidance. In order for the ILO's regulations to have an actual impact, they need to be included in national legislations, which has been done for many of the developed nations the study will observe afterwards.

National Legislations

The following section will describe the various existing national regulations. They play a crucial role in combating modern slavery by enforcing accountability across the GVC. These regulations vary on many topics, like scope, enforcement mechanisms and punishment models, depending on the country. They generally aim to ensure that businesses conduct due diligence to identify and address the risks of modern slavery in their operations and supply chains. The following table is outlining all national regulations, including different characteristics.

Table 2. National Regulations List

Country	Regulation Name	Date Enacted	Requirements for Companies	Way of Functioning	Approach	Potential Punishment
New Zealand	Modern slavery Bill	Pending	Applies to companies with more than NZD \$50 million annual turnover, or an annual revenue of NZD 20 million or more	The Bill will require companies to disclose the risks of modern slavery in their supply chains and outline actions to address these risks	Transparency and Reporting	Since the Bill is pending, the potential punishments are still being discussed with potential fines or public sanctions mentioned
Spain	Spanish Corporate Responsibility Law (pending)	N/A	Applies to companies with two or the three following criteria: more than 250 employees, an annual turnover of more than 50 million euros, or a balance sheet of more than 43 million euros	This law will require companies to conduct due diligence in their supply chains, focusing on preventing forced labour and modern slavery	Due Diligence	The law is still being discussed, but one can expect fines and legal liabilities to be included in the final draft
Sweden	In progress	In progress	Large Swedish companies, and foreign companies operating in Sweden	In progress	Due Diligence	Fines can be expected

European Union	Corporate Sustainability Due Diligence Directive (CSDDD)	2024	The directive will apply to companies with more than 250 employees, a net turnover of 40 million euros or more, or a balance sheet total of 20 million euros or more. Furthermore, the directive will apply to high-risk sectors such as textile and agriculture with more than 50 employees or a turnover of 10 million euros or more	Companies are required to identify, prevent, and mitigate human rights violations, including forced labour across their supply chains	Due Diligence	Fines will be proportional to the company's size and potential case of liability for damages resulting from violations.
Canada	Fighting Against Labour and Child Labour in Supply Chains Act	2024	Applies to companies considered as public entities, or companies with two of the following three: \$20 million in assets, \$40 million in revenue or more than 250 employees operating in Canada, regardless of where the supply chains are	Companies are required to measure, prevent and report on forced and child labour in their supply chains ensuring transparency and due diligence in their supply chains, and to make the report publicly available	Transparency and Reporting	Fines can be up to \$250 000 for failure to file or provide misleading or false information
Belgium	Law on the Duty of Care of Companies	2023	Applies to companies in Belgium, with more than 250 employees, with a turnover of more than 40 million euros or a balance sheet total of more than 20 million euros. Also, it applies to smaller companies' part of a group meeting the previous criteria	It will require companies to conduct human rights due diligence, identifying, preventing and mitigating modern slavery in their supply chains	Due Diligence	Fines and civil liability might be expected in the case of non-compliance
Finland	Due Diligence Act	2023	The Act applies to companies meeting at least two of the following three criteria: more than 250 employees, a net turnover of 40 million euros or more, having a balance sheet of 20 million euros or more	Companies are required to implement due diligence process, identifying, preventing, mitigating and accounting for human rights in their supply chains	Due Diligence	Administrative sanctions and civil liability might be expected in the case of non-compliance
Germany	Supply Chain Due Diligence Act	2023	Applies to companies with more than 3000 employees. And since 2024 to companies with more than 1000 employees	Companies are required to implement due diligence in their supply chains. They must identify, prevent and mitigate any abuse to human rights, including modern slavery and forced labour and compile it in a yearly report publicly accessible	Due Diligence	Fines can be up to 8 million euros, or 2% of the global turnover of a company for serious violations. Further, companies will be excluded from any public contracts

Norway	Transparency Act	2022	Applies to large and medium-sized companies selling goods and services to Norwegian customers, with an annual revenue of NOK 20 million or more	The Act requires companies to conduct human rights due diligence and publish reports on how they address it	Transparency and Reporting	Enforcement orders and potential fines for non-compliance can happen, and reputational harm
Japan	Guidelines on Responsible Business Conduct	2022	Multinational and Large companies	This guideline encourages companies to conduct due diligence in their supply chains	Voluntary Guidelines	No direct punishment, but reputational risks can happen
Netherlands	Child Labour Due Diligence Act	2020	Applies to all companies providing goods and services to Dutch consumers	Companies are required to identify risks of child labour in their supply chains and develop concrete action plans to address these risks	Due Diligence	Fines can be up to 870 000 euros or 10% of global company turnover in the case of repeated offenses
Switzerland	Counter-Proposal to Responsible Business Initiative	2020	Applies to companies listed on Swiss exchanges, banks, and insurance firms or Swiss companies with more than CHF 1 billion revenues or more	It requires the companies to prevent human rights abuses and violations in supply chains including forced labour and establish a mandatory report	Transparency and Reporting	The potential risk for companies not respecting it is civil liability with potential lawsuits
Australia	Modern slavery Act	2018	Applies to companies with an annual turnover of AUD \$100 million or more	Companies are required to report on the risk of modern slavery in their operations	Transparency and Reporting	There are no financial penalties for non-compliance, however public criticism and brand damage will most likely happen
France	Duty of Vigilance Law	2017	Applies to companies with 5,000 employees in France or 10,000 employees globally	Large companies are required to establish, implement and publish a vigilance plan that addresses risks of human rights, which includes modern slavery and forced labour	Due Diligence	Fines for up to 10 million euros, or even 30 million euros if the violation leads to more serious harm.
Italy	Italian National Action Plan on Business and Human Rights	2016	Applies to large and multinational companies	This action plan will encourage companies to implement due diligence to prevent human rights abuses in their supply chains	Voluntary Guidelines	As of yet, there are not specific penalties, however reputational damage are to expect
United Kingdom	Modern slavery Act	2015	Applies to companies with an annual turnover of £36 million or more	Companies are required to publish an annual statement on the various measures they	Transparency and Reporting	No direct fines are planned, but reputational damages,

				have taken to prevent slavery (among others) in their supply chains.		public shaming or civil lawsuits may happens for misleading or false reports
United States of America	Trade Facilitation and Trade Enforcement Act	2015	Applies to all companies importing goods in the US	Goods made with forced labour are prohibited from entering the territory, with companies required to verify their supply chains are free of forced labour or modern slavery	Import Ban	Goods might be seize by the Customs and Border Protection, a company might be ban from further importation into the US, and potential reputational or financial damage.
Denmark	Danish Action Plan for Business and Human Rights	2014	Applies to large and multinational companies, with more than 250 employees or an annual turnover of over 350 million DKK. However, SMEs are encouraged to follow the guidelines	Only encourages companies to adhere to international standards on human rights diligence	Voluntary Guidelines	No penalties, but cause reputational damages
Brazil	Dirty List of Slave Labour	2004	If a company is found to be using forced labour in their supply chains	If a company is found to have used forced labour, it is put on the "Dirty List" for at least 2 years	Public Listing and Sanctions	Companies on the list will face public shaming, exclusion from government contracts and a limited access to credits

This table provides a comparative overview of all the national regulations proposed or enacted to address modern slavery in GVCs by nations. It highlights a trend toward mandatory due diligence and transparency obligations, particularly among developed and high-income countries. While earlier regulations like the UK Modern Slavery Act (2015) or Australia's Modern Slavery Act (2018) focused on reporting requirements, recent laws, from Germany, France, or the European Union (EU), adopt a due diligence stance. The latter requires the company to actively identify, prevent and mitigate labour rights violations. The table also shows the significant variations in scope, thresholds for applicability and mechanisms. Some

countries rely on reputational sanctions, while others impose financial penalties or civil liabilities. Notably, some countries, like Japan, Denmark or Italy, opted for voluntary guidelines, reflecting different levels of regulatory ambition and state involvement. Overall, the table illustrates the rapid evolution and diversification of legislative response to modern slavery across regulatory frameworks.

Analysis of the regulations

The regulations that developed economies have put in place aim to have an impact on the GVCs of various MNCs. In the following paragraph, said regulations will be exhaustively listed, described and evaluated to understand how the Canadian government thought and developed their *Supply Chain Act*.

Starting in 2012 with the California Transparency in Supply Chain Act (CTSCA), which requires large companies doing business in California, specifically those with over \$100 million in annual global revenues, governments have developed and started enforcing somewhat similar regulations at various points in time and in various countries. Although the CTSCA does not compel companies to implement specific anti-slavery measures, it promotes corporate accountability through awareness among consumers. However, while the CTSCA aims to increase transparency, it lacks enforcement mechanisms and relies on consumer-driven accountability (Prokopets, 2018).

Based on the comparative table of national modern slavery legislations, it is possible to differentiate the regulations through the approach the governments have taken when developing them. The analysis identifies five distinct approaches with different goals and functions: Transparency and Reporting, Due Diligence, Voluntary Guidelines, Import Ban, and Public Listings. These categories were developed inductively by reviewing the objectives and enforcement mechanisms of each regulation.

- **Transparency and Reporting:** This approach focuses on requiring companies to disclose their efforts (or lack thereof) to prevent modern slavery in their GVCs. It does not necessarily require companies to implement any specific actions. Examples include the UK Modern Slavery Act and Australia's Modern Slavery Act.

These regulations aim to encourage market and reputational pressure to influence corporate behaviour (LeBaron & Rühmkorf, 2017).

- **Due Diligence:** In this approach, companies are legally required to identify, prevent, mitigate and account for adverse human rights impacts within their GVCs. This approach aligns with the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights (OECD, 2018; United Nations, 2011). Laws such as France's Duty of Vigilance Law and Germany's Supply Chain Act fall into this category.
- **Voluntary Guidelines:** These are non-binding frameworks encouraging companies to adopt best practices without enforcing legal compliance. Examples of regulations, such as Japan's Guidelines on Responsible Business Conduct and Italy's National Action Plan, illustrate this approach.
- **Import Bans:** These regulations involve trade restrictions on goods suspected of being produced using modern slavery. The US Trade Facilitation and Trade Enforcement Act empowers the customs to block such imports. This approach prioritizes border control as a mechanism of enforcement (LeBaron & Lister, 2021)
- **Public listings:** In this approach, a government maintains a public registry of companies that are known to have violated labour standards. The only country known to have such a mechanism is Brazil with its "Dirty List". It acts both as a reputational sanction and a tool for institutional exclusion from public procurement or credit access

Among the five approaches identified in this research, the two most common are Transparency and Reporting and Due Diligence. This observation is based on the

comparative review of 20 modern slavery legislations compiled in Table 1. The classification shows that 9 out of 20 regulations fall under the Due Diligence category and 6 out of 20 regulations follow a Transparency and Reporting model.

The remaining countries in observed adopt distinct approaches beyond transparency and due diligence. Japan adopted its “Guidelines on Respecting Human Rights in Responsible Supply Chains” in 2022. They are voluntary guidelines encouraging companies to conduct human rights due diligence without any binding enforcement mechanisms (Japan's Ministry of Economy, Trade and Industry, 2022). Similarly, Italy implemented a “National Action Plan on Business and Human Rights” in 2016, which promotes due diligence based on the UN Guiding Principles, but does not include any legal obligations or sanctions for companies (Italy's Ministry of Foreign Affairs, 2016). Denmark released its “Action Plan for Corporate Responsibility” in 2014, encouraging companies to align with international human rights standards, relying on voluntary compliance (Danish Government, 2014).

In contrast, the United States applies an import ban mechanism. The “Trade Facilitation and Trade Enforcement Act” of 2015 prohibits the importation of goods produced wholly or in part by forced labour, enforced by US Customs and Border Protection. Finally, Brazil uses a public listing approach, known as the “Dirty List”, introduced in 2004 by the Ministry of Labour. Companies found to be using forced labour are added to a public registry for at least two years, leading to reputational damage and restrictions on access to public contracts and financing.

These classifications were made based on the presence or absence of binding legal obligations, enforcement mechanisms and the focus of each law.

The governments that have not put in place punitive measures and only voluntary guidelines have done so, hoping that the companies will follow international rules and fear the reputational damages that could be caused by findings of Modern slavery in their GVCs. These governments only encourage their companies to adhere to international standards. This approach is grounded in the hope that international standards put in place by the ILO or organizations like the UN will push companies to set up high standards without needing to do so in their own countries. Also, it gives an opportunity for companies to fix their supply chain at their own pace, without fear or repercussions, if it is not done fast enough. The success rate of such an approach can be questioned, considering that it is not necessarily in a company's interest to have a more sustainable supply chain, even with the fear of reputational damage. It is easy to see a company considering that the financial requirements of auditing and changing its global supply chains are greater than the potential "return on investments" it can expect. Further, such an approach is based on other organizations and supra-national institutions' interest in the matter of modern slavery and forced labour. If they put in place regulations that are not strict enough, companies from Japan, Italy or Denmark will be able to keep on working the way they already are, with suppliers not too considerate of modern slavery.

Another approach, taken only by the Brazilian government, is a "Public Listing" approach since the implementation in 2004 of the "Dirty List", through the Ordinance No. 540/2004. In a nutshell, companies that have been found to be using modern slavery in their supply chains have their name written on a "Dirty List" for two years, which excludes them from government contract consideration and gives them limited access to credits. Furthermore, this list also implies a form of public shaming for the companies on it.

Companies are put on the list for two years, giving them time to change their supply chains and ensuring them a redemption path. Nonetheless, having its name put on such a list could cause long-lasting damage to the company's reputation, which is exactly the intent. However, it is important to note that Brazil is a country with a lot of corruption scandals, and some government officials may have been bribed not to put a company's name on the list. Finally, this list was created in 2004, but with hundreds of companies added to it since its creation, there are still more than 240 names that have been added in 2024, showing that its impact is somewhat minimal.

A government that has decided to take a drastic shift in its approach is the US. In 2015, the governments created the "Trade Facilitation and Trade Enforcement Act," which is aimed at facilitating control over various problems in product importation, including very strict regulations on goods suspected of being manufactured using forced labour. Companies are required to audit their supply chain and present proof that it is free of forced labour and modern slavery before importing any goods into the country. The government has put in place such regulations since it wanted to reinforce its commitment to reduce forced labour in the world and to also push companies to have a more thorough analysis of the way their GVCs are working. There are no monetary punishments in the case of misreporting, simply a ban from importing other goods into the country for the company. Further, in 2021, the US created the Uyghur Forced Labor Prevention Act, which put increased pressure on companies manufacturing in China, especially in the Xinjiang region, since they will all be considered as using forced labour if importing goods from this area and have to prove they are not through in-depth auditing. This Act is a way for the US government to put pressure on companies to move their supply chains away

from this region and extensively out of China. This maneuver has concrete political implications but has a final goal of preventing the use of forced labour in the production of goods imported into the US.

The most common approach taken by governments is to choose between “Due Diligence” and imposing “Transparency and Reporting.” Germany has decided to follow the prior, for example. The “Supply Chain Due Diligence Act” requires companies with more than 1000 employees to implement due diligence measures in their supply chains, not only within the borders of the country but across their whole global value chains. Companies must identify, prevent and mitigate any abuse of human rights, including forced labour and modern slavery. On the contrary to any previously mentioned regulation, many governments have financial punishments that can be expected in the case of non-respect of the regulations in place. In the case of Germany, they can go up to 8 million euros or 2% of the global turnover of a company. These amounts are not insignificant and are a real incentive for companies to respect the laws. As is the case for the Brazilian “Dirty List” or after an import ban following the US government’s regulation, a company can expect severe public backlash for not respecting human rights regulations.

On a more recent note, it is interesting to observe the Corporate Sustainability Due Diligence Directive (CSDDD) enacted in 2024 by the EU. This new law, which will apply to all member countries of the EU, will require companies to meet certain criteria (cf. the *National regulations* section) to conduct human rights due diligence and identify, prevent and mitigate modern slavery in their supply chains. This is an interesting point, considering that according to the principle of *supremacy*, EU laws prevail over the nation’s

law. In the case of a disagreement between the two, the EU law should be considered as the “right” one and take precedence over the other one. The question of the legitimacy of such a phenomenon is not the question of the study, but it will certainly strengthen the requirements for companies in the EU, specifically in high-risk industries.

Finally, the last approach taken for regulation regarding modern slavery by governments is “Transparency and Reporting.” This approach is (surprisingly) used mostly outside of the EU, as one can see in the table provided. The most famous, long considered a stepping stone in the area of Modern slavery Regulations, is the “Modern slavery Act” enacted in the UK in 2015. Far from being the first regulation on the matter, it was, however, one of the first ones to address modern slavery comprehensively: it defined new criminal offences related to modern slavery, it created a set of measures to guarantee victim protection and was the first regulation to put in place a requirement for large businesses to report on their various effort to prevent modern slavery in their supply chains. It was also the first time that a modern slavery regulation applied to the whole supply chain and where a government would hold companies accountable for what happens outside of their own borders.

All of the previously mentioned regulations have helped the Canadian government come up with its own version of a Modern slavery Regulation. The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* has been enforced since January 1st, 2024, and companies have published their first report in the following months. This regulation is inspired by a few of the previously mentioned, with a specific threshold for companies to be required to measure, prevent and report on forced labour and child labour in their supply chains. Like the UK Modern slavery Act, the regulation applies to

companies of a certain size and with a certain revenue. Companies meeting two of the following three conditions have to publish a report: at least \$20 million in assets, \$40 million in revenue or more than 250 employees operating in Canada. All these conditions are regardless of whether or not the supply chains are in Canada or anywhere else in the world. Another inspiration from previous regulations is the potential fines, above the likely reputational damage. If a company does not respect the requirements of the Supply Chain Act, it will be fined up to \$250,000.

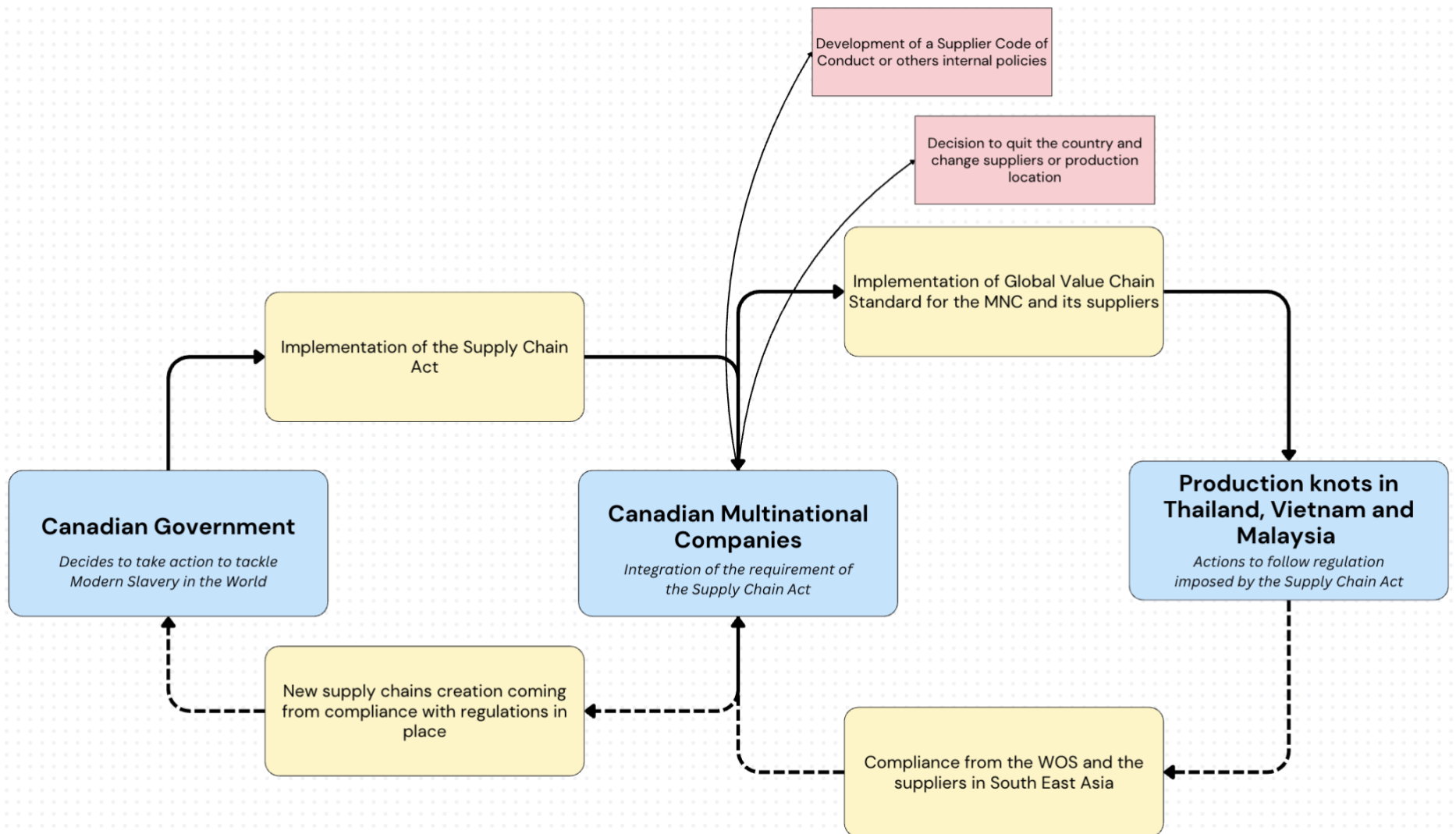
Considering all that has been mentioned previously, one would argue that the regulations put in place by developed economies must have some impact on how MNCs conduct their GVCs in developing economies. Since the Southeast Asian region is one of the most impacted regions in the world when it comes to modern slavery and forced labour cases, and the government of Canada is the last developed economy to have put in place new regulations related to the topic, this question follows: **How are Canadian companies operating in Southeast Asian countries affected by the Canadian Supply Chain Act?** It appears that there is a strong belief from the general public that modern slavery and forced labour are problems from another time. It seems like developed nations have only recently decided to pick up on a problem that has been plaguing developing nations for far too long. Taking the scope of a developed nation regarding the impact of its own regulations on the topic of modern slavery and forced labour in developing nations is a way of shifting boundaries.

As mentioned earlier, research on modern slavery has gained tremendous interest in recent years, with important scholars focusing exclusively on what Modern slavery is and how it impacts communities, governments and companies. Since 2015 and the

development of the innovative UK Modern Slavery Act, many administrations have developed regulations aiming at reducing modern slavery from companies selling within their borders. It is the first time that developed nations have decided to put forward laws that would have an effect outside of their borders in an attempt to pursue sustainable development for all nations. However, little to no studies have been conducted on the actual results following these regulations and how they have impacted 1) Western companies' activities in developing countries, 2) subsidiaries in these developing markets, and 3) local communities and local workers in developing nations. This study intends to fill in this gap through the study of the newly enforced Canadian Supply Chain Act to see if the results are the intended. The study will be done through the lens of Canadian companies conducting commercial activities in Cambodia, Thailand, Malaysia and Vietnam.

Methodology

Conceptual Framework



This conceptual framework illustrates how Canadian regulatory action interacts with corporate governance and global production networks. It begins with the Canadian government's adoption of the Supply Chain Act as a way to address modern slavery. This legislation introduces a coercive institutional pressure on Canadian multinational corporations, which are required to integrate the provisions of the Act into their operations. In practice, this involves implementing internal governance mechanisms such as supplier codes of conduct, establishing GVC standards, or even reconsidering the geographical location of suppliers and production.

These corporate responses extend across borders and shape the dynamics of GVC. Some firms may adapt by reinforcing compliance through their existing networks, while others may exit high-risk contexts or restructure supplier relationships. Production hubs in Southeast Asia, particularly in Thailand, Vietnam, and Malaysia, are directly impacted, as local suppliers and wholly owned subsidiaries are compelled to comply with the standards defined by Canadian MNCs. Over time, these dynamics can generate new supply chain configurations that both reflect and reinforce the regulatory environment. The framework, therefore, highlights how state regulation in the developed countries cascades through multinational corporations in developing regions, reshaping governance practices and supply chain structures, and ultimately contributing to the broader fight against modern slavery.

Research Design

The study will adopt a document-based, multiple-case qualitative study using interpretive document analysis to examine how Canadian companies respond to regulatory compliance under the Supply Chain Act. design to observe, analyze, and compare the

impact of the Supply Chain Act (2024) on Canadian companies with production activities in Thailand, Malaysia and Vietnam that import products into Canada. For the purpose of this study, Canadian companies are defined as firms headquartered or legally incorporated in Canada. This method relies on Yin’s definition of case study research (Yin, 2018). It is particularly appropriate to use this framework when investigating contemporary phenomena in real-life contexts where the boundaries between the phenomenon and the context are not necessarily clearly evident (Creswell & Poth, 2017, pp. 96-97). The primary method of data collection is qualitative document analysis and relies on the analysis of the “Modern slavery Statement” that companies falling under the *Supply Chain Act* are required to publish. These statements serve as the central unit of analysis, as they reveal how companies frame, report, and operationalize their commitments under the Act. Statements will be examined to identify recurring themes, strategies, and levels of compliance in how companies communicate their due diligence efforts and risk mitigation strategies. A qualitative approach is justified by the study’s interest in interpreting corporate behaviour, public disclosures, and the framing of compliance instead of measuring the outcomes quantitatively (Creswell & Poth, p.7). Focusing exclusively on Canadian companies allows the study to isolate the influence of Canadian regulatory frameworks on domestic corporate governance and supply chain practices, while accounting for the fact that large Canadian companies often operate internationally and are influenced by foreign regulatory frameworks as well.

Table 3 - Comparative Matrix of Product Risk by Country

Country	At-Risk Product	Low-Risk Comparator
Vietnam	Product A	Low-risk comparator

Malaysia	Product B	Low-risk comparator
Thailand	Product C	Low-risk comparator

Table 3 presents the comparative matrix used in the research design. For each selected country, we have chosen to identify a company that produces a good that is considered an at-risk product and compare it with another company that produces a low-risk comparator. This matched-pairs approach allows for a controlled comparison, isolating product-specific risk while holding country-level factors constant.

To identify at-risk products, the study will use the *US List of Goods Produced by Child Labor or Forced Labor* (Bureau of International Labor Affairs, 2024) produced by the US Department of Labor. We have decided to use the US list since the Canadian government does not provide any equivalent guidance. Then, the study will compare the modern slavery statement of these companies with a modern slavery statement published by a company producing goods not considered at risk of forced labour use. The choice of a multiple case study, qualitative approach is motivated by the objective of understanding not just the compliance levels but the qualitative aspects of companies' actions. This approach will allow the study to highlight how companies perceive and respond to their obligations when falling under the Supply Chain Act and compare them across both regions and industries.

The primary source of data for this study will be the modern slavery Statement, published by companies that follows under the criteria of the Supply Chain Act, as stated prior: Companies meeting two of the following three conditions are mandated to publish a report: at least \$20 million in assets, \$40 million in revenue or more than 250 employees

operating in Canada. All these conditions are regardless of whether or not the supply chains are in Canada or anywhere else in the world. These statements are made by companies each year by the end of their fiscal year and are required to be publicly available. The statements have been gathered from the websites of certain companies. For a company to be included in this study, its operations have to follow certain criteria:

- The company must be a Canadian company, defined as being headquartered or legally incorporated in Canada.
- The company must meet the reporting thresholds under the Supply Chain Act (i.e., two of the following three: at least CAD \$20 million in assets, \$40 million in revenue, or 250 employees).
- The company must have production facilities or source goods from Thailand, Malaysia, or Vietnam and import these goods into Canada.
- The company must have published a modern slavery statement in the most recent reporting period.

Further, the study will be mindful of including companies from various sectors of activity, including manufacturing, agriculture or the technology industry, to capture a wide spectrum of practices and reporting and to favour repeatability of the study.

The table below summarizes key goods identified in the previously mentioned list as being at risk of involvement in child labor, forced labor, or forced child labor across selected Southeast Asian countries.

Table 4 - Overview of Child and Forced Labor in Goods Production: Southeast Asia (Extract from U.S. Department of Labor, 2024)

Country/Area	Good	Child Labor	Forced Labor	Forced Child Labor
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Burma (Myanmar)	Bamboo	X	X	X
Burma (Myanmar)	Beans (green, soy, yellow)	X	X	X
Burma (Myanmar)	Bricks	X	X	X
Burma (Myanmar)	Fish		X	
Burma (Myanmar)	Garments	X	X	
Burma (Myanmar)	Jade	X	X	
Burma (Myanmar)	Palm Thatch		X	
Burma (Myanmar)	Rice	X	X	X
Burma (Myanmar)	Rubber	X	X	X
Burma (Myanmar)	Rubies	X	X	
Burma (Myanmar)	Sesame		X	
Burma (Myanmar)	Shrimp		X	
Burma (Myanmar)	Sugarcane	X	X	X
Burma (Myanmar)	Sunflowers		X	
Burma (Myanmar)	Teak	X	X	X
Cambodia	Alcoholic Beverages	X		
Cambodia	Bovines	X		
Cambodia	Bricks	X	X	X
Cambodia	Fish	X		
Cambodia	Manioc/Cassava	X		
Cambodia	Meat	X		
Cambodia	Rubber	X		
Cambodia	Shrimp	X		
Cambodia	Sugarcane	X		
Cambodia	Textiles	X		
Cambodia	Timber	X		
Cambodia	Tobacco	X		
Indonesia	Fish	X	X	
Indonesia	Footwear (sandals)	X		
Indonesia	Gold	X		
Indonesia	Nickel		X	
Indonesia	Palm Fruit	X	X	
Indonesia	Rubber	X		
Indonesia	Tin	X		
Indonesia	Tobacco	X		
Malaysia	Electronics		X	
Malaysia	Garments		X	
Malaysia	Palm Fruit	X	X	
Malaysia	Rubber Gloves		X	

Philippines	Bananas	X		
Philippines	Coconuts	X		
Philippines	Corn	X		
Philippines	Fashion Accessories	X		
Philippines	Fish	X		
Philippines	Gold	X		
Philippines	Hogs	X		
Philippines	Pornography	X		
Philippines	Pyrotechnics	X		
Philippines	Rice	X		
Philippines	Rubber	X		
Philippines	Sugarcane	X		
Philippines	Tobacco	X		
Thailand	Fish		X	
Thailand	Garments	X	X	X
Thailand	Pornography	X		
Thailand	Shrimp		X	
Thailand	Sugarcane	X		
Vietnam	Bricks	X		
Vietnam	Cashews	X		
Vietnam	Coffee	X		
Vietnam	Fish	X		
Vietnam	Footwear	X		
Vietnam	Furniture	X		
Vietnam	Garments	X	X	
Vietnam	Leather	X		
Vietnam	Pepper	X		
Vietnam	Rice	X		
Vietnam	Rubber	X		
Vietnam	Sugarcane	X		
Vietnam	Tea	X		
Vietnam	Textiles	X		
Vietnam	Timber	X		
Vietnam	Tobacco	X		

This list identifies goods considered at risk of being produced using forced labour or child labour in various countries. The analysis will compare Canadian companies importing

goods from Southeast Asia, specifically Thailand, Malaysia and Vietnam, countries known to have cases of modern slavery. The list flags some products imported from these three countries as being at risk of using forced labour in their manufacturing or creation. Each of these Canadian companies importing products flagged as at risk will be paired with another Canadian company operating in the same country but importing products not listed as at risk in the document; this will allow the study to offer a comparative analysis, showing the different approaches, if any, used by companies when importing products at risk of modern slavery and forced labour, then when not importing such at-risk goods.

The selected comparison will be as follows:

Table 5 - Comparative Matrix of Product Risk by Country (Canadian Case)

Country	At-Risk Product (Flagged for Forced Labour)	Low-Risk Comparator Product (Same Country)
Vietnam	Garments (Lululemon)	Toys (Spin Master Corp.)
Malaysia	Electronics ((Celestica)	Rubber Tires (Canadian Tire Limited)
Thailand	Garment/Fabric (Arc'teryx)	Electronics (Magna International)

To ensure comparability and reproducibility, the study adopts a matched-pairs design. For each country known to have modern slavery risks (Vietnam, Malaysia, and Thailand), an at-risk product (flagged by competent authorities for potential forced labour) is paired with a low-risk comparator product within the same national context. This structure allows the analysis to control for country-level variation while comparing corporate responses based

on product-level exposure to modern slavery risks. The matrix above outlines the comparative framework.

These pairings will be analyzed using qualitative content analysis, allowing the identification of patterns in language, commitment strength, risk assessment practices, and supplier engagement. Coding will follow a framework based on established disclosure and due diligence categories (OECD, 2018; United Nations, 2011), supported by academic criteria for identifying performative language and regulatory compliance (LeBaron & Rühmkorf, 2017). This approach is inspired by recent research using similar methods to study modern slavery statements, especially regarding the UK Modern Slavery Act. For example, LeBaron and Rühmkorf (2017) examined how companies frame their compliance with the UK Modern Slavery Act using document analysis; Mai, Vourvachis, and Grubnic (2022) applied qualitative content analysis to assess the quality of modern slavery statements published by FTSE 100 companies; and Islam and van Staden (2023) used content analysis to evaluate human rights disclosures across jurisdictions. Methodologically, the approach is grounded in established guidance on qualitative content analysis, particularly Schreier (2014) and Elo and Kyngäs (2008), which provide structured procedures for coding and interpreting qualitative data from documents.

Document Analysis Protocol

Drawing on previously identified modern slavery statements, this study applies qualitative content analysis to compare how Canadian companies report on supply chain risks across industries with different levels of exposure to forced labour. The method has been chosen based on various elements: modern slavery statements are a key source of

corporate self-reporting for companies, they provide useful insights into how companies assess and address the risks within their GVCs, and they have to be made publicly available by companies under the Supply Chain Act. The analysis of the modern slavery statement will revolve around a systematic review of the documents in order to extract the relevant patterns, themes and approaches put into place by MNEs and assess the differences found within and between industries.

The coding process followed a clear and replicable structure. All modern slavery statements were first found online, read and imported into NVivo. They were then reviewed several times to ensure familiarity with their content and structure. A preliminary list of nodes was created based on the legal and thematic criteria outlined previously. A first round of deductive coding was conducted to classify statements under these predefined categories. This was followed by a second round of inductive coding to identify emerging patterns and nuances that were not captured in the initial attempt. The coding tree was refined iteratively by merging overlapping themes and ensuring internal consistency across cases. Finally, a cross-case comparison was carried out to validate that similar themes were treated consistently across companies and industries. This process ensured that the analysis remained both transparent and reproducible.

The analysis will require a systematic review of statements to extract relevant themes and assess the differences between and within industries. It will focus on the following topics:

- Risk assessment from companies: It will help identify whether companies evaluate modern slavery risks in their GVCs and the way they do so.

- Due diligence processes and strategies: It will help examine the strategies put in place by MNEs to prevent and address the use of modern slavery and forced labour in their GVCs. Examples such as supplier auditing and third-party organizations use to evaluate their processes.
- Transparency from MNEs and their commitment to preventing modern slavery and forced labour in their GVCs: observing and assessing the extent to which MNEs disclose their strategies, progress, policies and even challenges regarding how they address the risks of modern slavery in their GVCs.

As mentioned previously, in order to realize the systematic analysis, this study uses the software NVivo to organize and code the statements. A thematic coding approach has been taken, following the six-phase process for thematic analysis, enabling the structured identification and interpretation of patterns across qualitative data (Braun & Clarke, 2006).

The coding process combined deductive and inductive techniques, with an initial deductive coding framework developed, drawing on established regulatory guidelines like the ones from the OECD (2018) and the United Nations (2011). The framework included predefined categories such as risk identification, due diligence processes, remediation measures, etc. In parallel, inductive coding was applied to allow for the emergence of unanticipated themes from the data (Fereday & Muir-Cochrane, 2006).

Modern slavery statements will be imported into NVivo and coded line-by-line to ensure a steady analysis of content, structure and language. The analysis assessed both the frequency of thematic occurrences and the depth of disclosures, differentiating between general statements and concrete action plans. The coding and analysis design are

informed by previous research that developed structured disclosure indices to assess the quality and comprehensiveness of modern slavery risk reporting (Ahmed et al., 2022).

The comparative analysis was done both between industries and within industries. This comparative framework aims to determine whether companies operating in high-risk sectors demonstrate more detailed or vastly different disclosure practices than those in lower-risk sectors, providing insights into the effectiveness of the *Supply Chain Act* in guiding corporate transparency and accountability.

Quality Criteria

The criteria are based on the legal requirements from the Supply Chain Act, as well as other forward regulations, industry best practices and the existing literature on due diligence, GVCs and supply chain governance. These criteria aim to capture both the procedural aspects of the modern slavery statements and the substantive measures put in place by companies to reduce modern slavery in their global value chains.

These criteria that we selected to use were informed by existing legal frameworks such as the UK Modern slavery Act, France's Duty of Vigilance Law or Canada's Supply Chain Act, as well as corporate guidelines from supranational organizations like the ILO or the United Nations Guiding Principles on Business and Human Rights (UNGPs). Additionally, the existing literature on the topic of modern slavery risks mitigation (Ahmed et al., 2022), due diligence (Ford & Nolan, 2020) and GVCs (Gereffi, 2015). These works offer insights into best practices, challenges and the evolution of companies' responses to modern slavery.

The criteria fall into thematic boxes that can be organized to reflect the components of companies' modern slavery response. These include legal compliance, internal risk assessment, supply chain transparency, stakeholder engagement and the measurable impacts of companies' actions.

The analysis included in this study was structured around the following criteria:

1. Actions Taken

This category captures the actions companies report in their modern slavery statement to address risks of modern slavery. It includes:

- a. The *Preventive Measures* section of the coding refers to the strategies put into place and used by Canadian companies to prevent labour rights violations before they occur. It includes actions such as a supplier screening protocol or the creation of various codes of conduct.
 - b. The *Remediation Plans* section shows the steps taken by the company after a violation has been found and exposed by a different mechanism. It includes what a company has put in place to resolve the problems caused by the labour rights violations, including the investigation process and the resolution mechanism used to fix the issue.
 - i. *Grievance Mechanisms* are the formal procedures put in place to allow the workers, or stakeholders, to report violations they know of or have witnessed confidentially. This section includes the mechanisms in place and how stakeholders can use them. Examples are anonymous hotlines, whistleblower protection programs or third-party complaints systems set up by the companies.

2. Challenges

This theme was included to capture the barriers and limitations already acknowledged by companies in their statements. This can include examples such as a lack of traceability and transparency beyond tier-1 suppliers, the various difficulties in data access and collection for a more transparent approach, or the weaker local laws and policies and their enforcement, Canadian companies will face when dealing with suppliers in Southeast Asia.

3. Compliance

This category, as its name indicates, captures how companies comply with their legal and regulatory obligations, including local laws, supranational guidelines and risk management frameworks internally adopted.

a. Internal Policies and Procedures. This section includes the company-specific frameworks created internationally, such as the code of conduct, compliance guidelines, and risk management frameworks. A company has to obey its own rules as much as any other rule, and this is what this section will help highlight.

b. National Regulations refer to the mention of well-known legal instruments and laws under which companies have to respect certain rules, such as the publication of a modern slavery statement (for further explanation, cf. Table 1)

- i. Australian Modern slavery Act
- ii. California Transparency in Supply Chains Act
- iii. Dutch Child Labor Due Diligence Act

iv. Fighting Against Forced Labor and Child Labour in Supply Chains
Act – Canada

v. France's Duty of Vigilance Law

vi. Norway's Transparency Act

vii. UK Modern slavery Act

c. The *Supranational Regulations and Institutions* section includes a reference to supranational guidance and frameworks commonly used to refer to modern slavery and forced labour mitigation and prevention. This includes frameworks such as the UN Guiding Principles on Business and Human Rights (United Nations, 2011), the International Labour Organization (ILO) and OECD Guidelines.

4. Due Diligence in Place

This theme assesses whether a company described its approach to identify, manage and mitigate the risks linked to the presence of modern slavery and forced labour in its supply chain.

a. *Due Diligence Processes* include the various operations set up by companies to ensure a solid and trustworthy supply chain, including risk mapping, supplier auditing, pre-qualification procedures or internal assessments.

b. *Supplier Engagement*. This section underlines the involvement by the supplier and the cooperative actions between the company and its suppliers. This can be seen in the training provided by the company, the co-development of standards to prevent modern slavery or forced labour from

appearing in the supply chain and even conducting joint assessments of the supply chain by the suppliers and the company.

5. External Stakeholders

This category captures the collaboration with stakeholders outside of the company, who are involved in preventing and monitoring the presence of modern slavery and forced labour in the supply chain.

- a. The *Governments* section refers to any partnerships, consultations and involvements of state actors in the actions put in place by companies.
- b. The *Industry Associations* are the sector-wide initiatives set up to prevent forced labour and modern slavery on a larger scale and prevent its growth in supply chains between companies sharing part of their GVCs.
- c. *NGOS* refer to the partnerships with civil society organizations on audits, advocacy and certification matters. This section will highlight how these institutions can sometimes replace the lack of government involvement.
- d. The *Third-Party Auditors* cover the external firms used to conduct a compliance check in order to increase the credibility of a company's own assessment of its supply chain. Auditors can conduct compliance checks and offer certifications and their renewals.
- e. *Others*. This section includes fewer formal relationships or some indirect stakeholders, sometimes mentioned in the modern slavery statements. This can include academic institutions or multilateral platforms.

6. Grand Statement (vague or performative language)

In this theme, the study flags the use of non-specific, vague and promotional language, not mentioning any concrete actions but rather stating common sense as definitive and engaging words.

- a. The Aspirational Language* section includes statements like “we condemn modern slavery use, which is an example of a statement written without any tie to a measurable action.
- b. Buzzword.* This section highlights generic terms used in the statements to fit in with the rest of the companies. This includes “resilience”, “sustainability,” or “empowerment,” used mostly without definition or tied to any actions.

7. Language Strength / Modality

This section examines the company’s tone in its reported commitments and through its modern slavery statement.

- a. Strong Commitment* includes action-oriented language, using words like “we have implemented”, “we will enforce”, reflecting concrete actions.
- b. Weak Commitment*, on the other hand, includes sentences without concrete consequences, such as “we aim to”, “we strive to”
- c. Passive Language* includes sentences where the company deflects the responsibility with words like “measures are being explored” or “steps might be taken.”

8. Risk Identification

The section measures whether and how companies acknowledge the presence of risks in their supply chain.

- a. *High-Risk Areas* are specific countries, regions or industries that are identified by companies as vulnerable areas to forced labour or modern slavery within or outside their existing supply chain.
- b. *Risk Assessment* refers to all the tools, processes and actions companies have been using and still use to observe, measure, and evaluate the risks linked to their supply chain regarding modern slavery and forced labour. They can include supplier screenings, country or regional assessments, and supplier assessments.

9. Southeast Asia Mention

This criterion refers to any mention of Southeast Asia, but also to the rest of Asia in a wider context. The idea with the criteria is to highlight the mention of countries of interest in regard to the topic of the study, being Thailand, Vietnam, Cambodia and Malaysia specifically.

10. Supply Chain Transparency

In this theme, the study assesses the visibility and openness companies have into their supply chains.

- a. The *Reporting* section involved the public disclosure of data regarding the governance structure, progress tracking, and performance of the company. Highlighting these mentions will help the study understand how companies have been sharing the relevant information, and if it was done according to the Supply Chain Act.

- b. The *Traceability* section will help the study evaluate whether companies can identify and disclose information about suppliers beyond the first tier, or trace material to their point of origin.

11. Workers

This theme focuses on how companies support and involve the main internal stakeholders, including their workers and the workers within their supply chain, in their effort to prevent forced labour in their supply chain.

- a. *Programs* include initiatives aiming at empowering workers and making sure that they evolve in a positive environment, such as ethical recruitment, wage monitoring and health and safety campaigns.
- b. *Training for Workers and Suppliers* refers to an education or awareness campaign led by the company or by external stakeholders aimed at building capacity for workers to recognize and address modern slavery risks in their surroundings.

Our analysis was conducted using a qualitative coding process. The various corporate modern slavery statements were reviewed and coded based on the criteria previously mentioned. The NVivo software was used to organize, categorize and compare the key themes throughout the statements. A set of pre-determined nodes was created in NVivo based on the mentioned criteria, following a deductive approach informed by existing guidelines (United Nations, 2011; OECD, 2018) and best practices (Ford & Nolan, 2020). Additionally, inductive coding was used to include emergent codes based on emerging patterns found throughout their study (Fereday & Muir-Cochrane, 2006). The combination

of deductive and inductive coding is consistent with existing qualitative analysis of corporate disclosures (Ahmed et al., 2022; LeBaron et al., 2017).

The coding was conducted manually, ensuring careful interpretation of the content, language and structure of each statement. The approach and measures taken by companies were assessed based on the presence and depth of details linked to each criterion, allowing this study to offer comparative insights (Crane et al., 2019).

The framework of the study enables a structured review and evaluation of companies' disclosure and responses to modern slavery risks and their actions regarding preventing the emergence of such activities in their GVCs. Approaching the study through this lens will ensure consistency and rigour while allowing for a detailed, in-depth analysis.

This methodological approach directly reflects the conceptual framework presented in the section, which illustrates how regulatory pressures, corporate governance structures and global production networks interact in practice. By comparing companies operating across different industries and institutional contexts, the study seeks to observe how the coercive force of the Canadian Supply Chain Act cascades through multinational supply chains and intersects with the local governance environment in the Southeast Asian region. The criteria and coding categories were developed to capture these interactions, particularly the extent to which firms demonstrate procedural versus substantive compliance, the influence of institutional quality on disclosure depth and the role of private governance mechanisms in shaping corporate conduct. In this sense, the analysis operationalizes the theoretical assumptions of the framework and ensures that the results presented in the comparative analysis are not merely descriptive but empirically grounded reflections of the dynamics outlined in the conceptual model.

My personal history is linked to such a past, with my initial last name being Negrier, which is a name historically associated with individuals involved with and benefiting from the Atlantic slave trade. This is why about eight years ago, my parents, brothers and I made the decision to change our last name. This was decided after considering the deep history this last name had and out of support for all the individuals, ancestors and families for whom it had a traumatic meaning. As I am writing this thesis, we have officially received notice from the offices in charge that our demand has been accepted, and we have finally found a way to distance ourselves from this name. However, being Cambodian on my mother's side, modern slavery will always be in part linked to my history. is one of the countries which have been most touched by cases of modern slavery in the last decades. Both of these pasts have greatly influenced the perspective taken on the matter and pushed to take into account that there are still many being impacted by human rights and labour rights violations.

Positionality and Trustworthiness

As mentioned previously, my own background inevitably shaped the perspective I brought to this research. My family history and Cambodian heritage have made me more sensitive to issues like exploitation and inequality, which are central topics in the literature around modern slavery. Being aware of this connection helped me remain reflexive throughout the project and conscious of the potential influence of my personal experience on how I collected and interpreted the data.

In line with Shenton (2004) and the quality criteria proposed by Lincoln and Guba, several strategies were applied to ensure trustworthiness of this study. Credibility was strengthened through a clear and systematic coding process using NVivo, combining both

deductive and inductive approach. Transferability was addressed by providing detailed contextual descriptions of the companies and countries studied so that readers can judge the relevance of the findings to other settings. Dependability was supported by keeping a consistent analytical framework and documenting each stage of the analysis. And finally, confirmability was reinforced through a reflexive and constant awareness of my positionality, ensuring that my interpretations remained grounded in the data rather than personal bias. The combination of the strategies was meant to guarantee transparency and rigour in the analysis, while also acknowledging that, as a qualitative researcher, my position, background and experience are part of the knowledge production process.

Comparative Analysis by Country

In this section, the study presents the results of the comparative analysis of Canadian companies with activities in specific countries. The comparison focused on the statements of a company producing goods at risk of modern slavery and forced labour use and a company producing goods not considered at risk of such labour rights violations, according to the previously mentioned *List of Goods Produced by Child Labor or Forced Labor* (Bureau of International Labor Affairs, 2024) produced by the US Department of Labor. Each modern slavery statement published by the companies was analyzed and compared based on the same criteria in order to determine if the approach taken by companies is different according to the goods they produce.

Vietnam – Comparison Between Lululemon and Spin Master Corp

Overview of the companies and sector risks

Lululemon is a Canadian company operating in the garment industry and clothing sector, which has been identified as a sector at-risk in Vietnam according to the *List of Goods Produced by Child Labor or Forced Labor* (Bureau of International Labor Affairs, 2024) produced by the US Department of Labor. Spin Master Corp. operates in the toy sector, which is not included in the same list as goods at risk of modern slavery and forced labour. According to their respective websites and communications, both companies have operations or sourcing activities in Southeast Asia, and more specifically in Vietnam. This presence in Vietnam drew the study to their selection for the comparison, allowing for an analysis of modern slavery statements from Canadian companies with sourcing activities or operations in Vietnam. Lululemon's *Impact Report* states that a significant portion of its suppliers are located in Vietnam, both Tier 1 and Tier 2 (Lululemon, 2023). According to Spin Master Corp.'s *Modern slavery statement*, the company has sourcing and production partnerships in Asia, explicitly mentioning Vietnam (Spin Master Corp., 2024).

The analysis was conducted based on the same previously mentioned criteria to ensure a thematic analysis. This framework, explained in the methodology section, allows the study to compare the approach taken by Canadian companies with operations or sourcing activities in Vietnam based on the kind of goods they produce. Framing this comparison within the conceptual framework, the Vietnam case illustrates how Canadian

regulatory pressures interact with local institutional conditions and sectoral exposure: companies producing goods in higher-risk, labour-intensive industries tend to adopt stronger governance mechanisms and provide more detailed disclosures, while those in lower-risk sectors show a more procedural and surface-level approach.

Analysis of modern slavery Statements

In this section, and based on various criteria, the study will highlight the relevant parts from the statements published by the companies.

1. Due Diligence in place

In its statement, Lululemon puts forward comprehensive due diligence processes and describes many of its approaches regarding ensuring solid due diligence when it comes to its activities in Vietnam and the choice of its suppliers. In its statement, the company describes how it “conducts annual human rights and social risk mapping across [their] product supply chain” and applies “an extensive process for approving new suppliers”. Lululemon also mentions its participation in sector-wide initiatives, mentioning that “through our memberships in industry and multi-stakeholder initiatives [...], we collaborate and engage with industry partners, civil society, stakeholder groups, and peer brands” aiming at increasing and improving ethical sourcing and supplier training.

Spin Master Corp., in its statement, is less precise about its commitments and the due diligence in place. In fact, it briefly refers to its “Code of Ethics and Business Conduct,” but it does not go into deeper details about what it includes, and it only makes reference to it throughout the rest of the statement. The details on how due diligence is carried out in practice and not simply in theory are fairly limited. In the statement, Spin Master Corp. states its expectation regarding its own operations and its suppliers’

operations when it comes to respecting and “comply with applicable national law”, and international standards put forward in the “Universal Declaration of Human Rights (UDHR), UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises”. However, it does not describe in detail their audits and mitigation processes related to modern slavery.

Through this first criterion, the study highlights how companies with activities considered at risk appear to set up stronger and more robust due diligence mechanisms. They can include thorough auditing practices and supplier engagement initiatives. In comparison, companies producing goods not considered at risk appear to be less detailed in their approach and stay more at the surface in their statement. According to this first criterion, a company operating in a lower-risk sector has a better chance of being less rigorous.

2. Risk Identification

Lululemon recognizes that its biggest risk when operating across the globe lies “not in our direct business operations, but in our product supply chain,” which includes its manufacturing operations in “Vietnam, Cambodia, Sri Lanka, Indonesia and Bangladesh.” As stated in this quote, Vietnam is a country where Lululemon understands and is careful regarding the risks of modern slavery and forced labour. Lululemon indicated that “prior to entering a new sourcing location, we conduct an in-depth risk assessment,” which highlights the importance given by the company to identifying risks in advance and making sure to only work with suppliers and manufacturers with which it shares values.

The use of risk mapping to target specific regions and countries for closer supplier monitoring is a further step that Lululemon takes to ensure a modern slavery and forced labour-free environment. Intense resources are put forward by Lululemon to set up various frameworks and processes to identify the risks linked to modern slavery and forced labour and act accordingly.

In contrast, Spin Master Corp. cites Vietnam as one of the countries where the company has manufacturing facilities and briefly mentions that it “presents the highest risks of Child and Forced Labour within its supply chains.” and goes on to cite how the company has had a “heightened awareness of the risks associated with these jurisdictions including limited governmental regulation and oversight, exploitation of workers and a general lack of support for workers to raise grievances”. However, the statement does not go into any further details regarding this topic.

Again, based on this criterion, the study highlights how a company producing goods at a higher risk of modern slavery and forced labour will have a tendency to go into more details as to how they identify said risk, mitigate them and make sure not to work with suppliers that are not respectful of their standards, laws and regulations in place. The comparison between Lululemon and Spin Master Corp. when it comes to risk identification is a strong example of such a case.

3. Supply Chain Transparency

Lululemon, in its statement, offers some insight regarding its supply chain, making a considerate effort to make it transparent and ensuring traceability. The company states that it “publish[es] a list of our Tier 1 and Tier 2 supplier facilities and Tier 1 subcontractors

biannually on our website,” highlighting its commitment to supply chain disclosure. Lululemon also notes that it is expanding traceability across its supply chain, with an initial focus on “raw materials such as cotton and rubber” but does not go into intense details regarding the topic. This can be explained considering that the company, in addition to its modern slavery statements, also publishes an “Impact Report” on traceability, showing once again the strong effort they put into making sure that their whole GVC can be traced and assessed in order to reduce the risks of modern slavery in its GVC.

Spin Master Corp., according to its statement, has high standards when dealing with suppliers and “expects its third-party manufacturers and distributors to comply” with its Code of Conduct aimed at preventing “inhumane or exploitative conditions, including those related to Child and Forced Labour”. The company also indicates that “Tier 1 vendors will [...] enforce the same requirements through Tier 2 and beyond,” which extends the compliance obligations further in the supply chain.

If this seems like an interesting approach, it also removes the responsibility of traceability from the company and puts it on the Tier 1 supplier, which is something to keep in consideration when looking at the reporting and transparency efforts made by the company. The statements indicate a “mapping of the supply chain”, comparable to Lululemon’s; however, for Spin Master Corp., this map stays internal to the company, and they do not offer a suppliers list to the public. Furthermore, the raw materials used in the production of the goods are not mentioned at all in the statements, leaving some empty spots in the GVC of the company.

The criterion of transparency shows how a company producing at-risk goods, when doing business correctly, will try to give as much evidence as possible to the public in

order to reassure the customers and stakeholders. This practice is made with the goal of showing the latter that the company is doing as much as possible, and everything right, to reduce the risk of modern slavery or forced labour use in its GVC. A company not producing at-risk goods, on the other hand, could be less incentivized to give details about its GVC, considering that there is no reason to believe that modern slavery or forced labour are involved in its GVC.

4. External Stakeholders

In its statement, Lululemon emphasizes how it interacts and engages with external stakeholders to mitigate the risk associated with modern slavery and forced labour and its presence within its GVC. Lululemon's modern slavery statement mentions collaborations with NGOs and its active participation in multi-stakeholder initiatives focusing on labour rights insurance for workers. Lululemon is a member of the "Fair Labour Association", illustrating its commitment to improving practices when it comes to labour rights. External stakeholders include third-party organizations which are auditing Lululemon's activity and their audit activities as well, with "selected facilities [being] also assessed by FLA, as required by our membership". This involvement of external stakeholders in Lululemon's assessment of its supply chain is a great way for the company to show how much it believes in the system it has set up to minimize the risks of modern slavery and forced labour apparition in its GVC, but also the willingness of Lululemon to listen to criticism and make the necessary adjustments accordingly.

On the other hand, Spin Master Corp talks extensively about the involvement of the Ethical Supply Chain Program ("ESCP"), which acts as their third-party auditor. Spin

master Corp describes ESCP as providing “supplier certifications and conduct[ing] factory social audits”. This involvement shows how seriously Spin Master Corp takes the topic of modern slavery and forced labour mitigation in its GVC. However, this involvement from external stakeholders stops there, according to its modern slavery statement. Compared to Lululemon’s multiple channels and many partnerships, this can seem like a lighter commitment. Having more external engagement would give more depth to the statement published by the company.

Through this criterion, the study shows how much a company producing at-risk goods needs to have many external stakeholders involved, first to make sure that there are no modern slavery or forced labour cases throughout the supply chain, but also to reassure the shareholders and customers. Having this many parties involved in the evaluation of the GVC gives greater depth to the approach taken by Lululemon, which is understandable considering the goods they produce in Vietnam have a reputation for being produced using forced labour and modern slavery in their supply chain.

5. Language Strength

Using the criterion for comparison, the study will highlight how the tone and the modality of language used in the statements from both companies vary and reflect differences in the approach they take.

Lululemon consistently uses strong, action-oriented language with statements reflecting a strong commitment and showing how serious they deem the topic of modern slavery and forced labour. When in the statement, it is written: “We are committed to responsible business conduct and to acting ethically and with integrity in all our business

dealings. We expect the same from suppliers,” it reflects a strong commitment and real, actionable actions taken by the company to realize what they set their goals to be.

On the other hand, when Spin Master Corp writes: “At Spin Master, we strive for continuous improvement and continue to strengthen our processes to prevent and reduce the risk of Child and Forced Labour.” This can appear like a light statement, lacking depth in commitment and intentionality. Throughout its statement, Spin Master’s language appears more aspirational and less action-oriented, making sure not to fall behind regarding its relevance to modern slavery and forced labour condemnation. A quote such as the following can well illustrate it: “sets out our zero-tolerance position with respect to child labour, forced bonded or compulsory labour, including forms of modern slavery and human trafficking, health and safety, discrimination, harassment, abuse.” Stating facts such as this one is not at all showing a strong commitment but is more an illustration of facts supposedly common to all.

Through this last criterion, the study shows how a company producing goods at risk has to be more careful in the words they use and needs to show proper commitment throughout their statement, always with the same goal to avoid scaring shareholders and customers. Stronger commitment to languages seems to be associated with companies operating in sectors and countries identified as higher risks of forced labour.

To summarize the differences identified through the thematic comparison of Lululemon and Spin Master Corp’s modern slavery statements, the following table highlights key distinctions across the five selected analytical criteria. Direct quotes from the statements are included to illustrate these differences and support the analysis

Table 6 - Comparison of Modern Slavery Statements: Lululemon vs. Spin Master Corp (Vietnam)

Criterion	Lululemon	Spin Master Corp
Due Diligence in Place	Conducts “annual human rights and social risk mapping” and applies “an extensive process for approving new suppliers.” Participates in multi-stakeholder initiatives.	Refers to “Code of Ethics and Business Conduct” and expects compliance with international standards but lacks details on audits and mitigation practices.
Risk Identification	Acknowledges risks “not in our direct business operations, but in our product supply chain,” including Vietnam. Conducts “in-depth risk assessment” before sourcing.	States that Vietnam “presents the highest risks of Child and Forced Labour” and mentions “heightened awareness” but provides no further elaboration.
Supply Chain Transparency	“Publish[es] a list of our Tier 1 and Tier 2 supplier facilities and Tier 1 subcontractors biannually on our website.” Expands traceability efforts to raw materials like “cotton and rubber.”	Expects Tier 1 suppliers to ensure compliance down to Tier 2. Requires “mapping of the supply chain” internally but does not publish supplier lists or disclose raw material sources.
External Stakeholders	Collaborates with NGOs, participates in the “Fair Labour Association” (FLA), and uses third-party audits, e.g., FLA assessments.	Works with the Ethical Supply Chain Program (ESCP), which conducts audits and certifications. No additional stakeholder engagement mentioned.
Language Strength	Uses strong, action-oriented language: “We are committed to responsible business conduct and to acting ethically and with integrity in all our business dealings.”	Language is more aspirational: “We strive for continuous improvement,” and refers to a “zero-tolerance position” without detailing enforcement measures.

Overall, the Vietnam case shows how the framework translates into practice: companies facing higher exposure to forced labour risks, combined with weaker institutional contexts, tend to demonstrate stronger due diligence deeper disclosure, and broader stakeholder engagement. In contrast, companies in lower-risk sectors rely more

on formal compliance and general statements, reflecting a more procedural approach to governance under the same Canadian regulatory pressure.

Using the criteria of due diligence in place, risk identification, supply chain transparency, external stakeholders' mention and language strength, the study has been able to highlight the differences between the approach taken by two Canadian companies producing goods in Vietnam, one producing goods at risk of modern slavery and forced labour, and another one producing goods not subject to such risks. This analysis allowed for a better understanding of the various approach they have taken and illustrate well how a company producing more risky goods will have to be more careful to go into more details and illustrates to the best of its ability the processes and progress related to its Global Value Chain. In the next section, the study will repeat the exact same approach with two new companies operating in the same region but in a new country: Malaysia.

Malaysia – Comparison Between Celestica and Canadian Tire Corporation Limited

Overview of the Companies and sector risks

This section will analyze Celestica, an American-Canadian electronics manufacturing company, with production centers in Malaysia, stating that “We have sites in Canada, the U.S, (...), Malaysia, (...). This industry is identified as a sector at-risk according to the *List of Goods Produced by Child Labor or Forced Labor* (Bureau of International Labor Affairs, 2024). In order to make a comparison, the study will observe the modern slavery statement of Canadian Tire Corporation Limited, a retail company operating in different sectors, in its rubber tire manufacturing capacity. In CTC's 2023

Modern slavery statement, the company states that “In 2023, CTC imported almost 170,000,000 merchandise units into Canada, with the ten largest countries of export (based on dollar value) being: (...) Malaysia”. This sector is not considered an at-risk sector by the list previously mentioned and will allow the study to realize a comparison between the two different sectors in Malaysia. This presence in Malaysia drew the study to their selection for the comparison, allowing for an analysis of modern slavery statements from Canadian companies with sourcing activities or operations in the country.

The analysis will be conducted based on the same previously mentioned criteria to ensure a thematic analysis. This framework, explained in the methodology section, will allow the study to compare the approach taken by Canadian companies with operations or sourcing activities in Malaysia based on the category of goods they produce.

Framing this comparison within the conceptual framework, the Malaysia case allows the study to observe how Canadian corporate practices adapt to different institutional and industrial contexts. By comparing a company operating in an at-risk high-technology manufacturing sector and another in a lower-risk retail supply chain, the analysis captures how the same Canadian regulatory pressure interacts with varying levels of local governance and sectoral exposure. .

Analysis of Modern slavery Statements

In this section, and based on various criteria, the study will highlight the relevant parts from the statements published by the companies.

1. Due Diligence in Place

Regarding due diligence set up by companies, Celestica outlines clear, structured processes based on their “Responsible Business Alliance (RBA)” code of conduct, which

the company co-created and follows. The RBA Code “outlines standards to ensure that working conditions in the operations and supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible.” It includes provisions on the topic of child labour, forced labour and modern slavery. Suppliers of Celestica are “Expected to complete the RBA Facility Risk Self-Assessment Questionnaire”, and in some cases, where the suppliers is deemed more at risk (based on the region it operates in) will have to undergo every two years a “Validated Assessment Program by a RBA independent third-party audit firm”. The company also makes references to “internal monitoring tools” and “remediation measures” it has set up including requiring “corrective action to eliminate the risk and take preventive measures” where risks are identified. However, less detailed information is shared throughout the statement on the frequency of audits and on the outcomes following a non-compliance from a supplier or one of their manufacturers. The due diligence process is framed as a risk-based approach for Celestica, and through the analysis of these criteria, the study shows how aligned it is with external and internal standards.

Canadian Tire Corporation (CTC), in its statement, has also reported a formalized due diligence framework. The document states its “Ethical Sourcing team” has conducted audits of “1590 factories across 30 countries”, with “all audits leveraged by CTC conducted by third-party auditors”. These audits are part of the due diligence plan set up by CTC and are carried out in accordance with the “amfori Business Social Compliance Initiative”, which covers various human rights and labour laws violations, such as forced labour and child labour practices and “aligns with the standards in the Supplier Codes”. CTC references throughout its statement its various internal policies, like the “Supplier

Codes”, and outlines due diligence practices it has set up to minimize modern slavery and forced labour risks. According to CTC, “an in-person factory inspection is conducted, and the vendor must provide or complete a valid social compliance factory audit” before onboarding. This shows the company's commitment to rigorous due diligence practices. However, unlike Celestica, CTC does not go into much detail as to what the following steps are after the audit findings are received. They mention some practices like the “Sourcing team works with the vendor and factory management to develop a corrective action plan,” but do not provide any clearer details or specific follow-up mechanisms. Through the analysis of this criterion in both companies’ modern slavery statements, the study highlights the different approaches taken. On the one hand, Celestica takes a risk-based approach but provides a more detailed description of its process structure, where CTC also takes a risk-based approach but focuses more on ethical policy adherence and onboarding matters.

2. Compliance

In its document, Celestica demonstrates alignment with various of its internal policies and many existing industry frameworks. It mentions its internal “Business Conduct Governance Policy (BCG Policy)” and “RBA Code of Conduct” referencing them as the standards’ expectations for suppliers and also mentioning their binding characteristic. At Celestica, we have adopted and audit our operations and supply chain to the RBA Code of Conduct.” The statement notes that the RBA Code of Conduct “outlines standards to ensure that working conditions in the operations and supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are

environmentally responsible.” It also references international norms like “the Universal Declaration of Human Rights, ILO International Labour Standards, OECD Guidelines for Multinational Enterprises, ISO and SA standards, and the UN Guiding Principles on Business & Human Rights.” Suppliers are expected to adhere to these standards, and the company indicates that “where the supplier failed to implement corrective action to our satisfaction, we had the discretion to elect to terminate our relationship with such supplier.” Celestica discusses extensively the requirements linked to its RBA membership, but does not discuss in detail any other regulation, including national regulations under which it operates and follows the rules in place.

CTC, in its statement, makes no references to international legal frameworks or external human rights instruments but frames its compliance entirely through internal policies. CTC requires its Tier 1 suppliers to adhere to its “Supplier Codes” and to comply with its internal policies and the “amfori Business Social Compliance Initiative (BSCI) standards.” As stated, “All merchandise vendors are expected to either sign onto the applicable Supplier Code or provide a copy of their internal code of conduct that meets or exceeds CTC’s standards.” However, the regulatory enforcement or binding obligations outside company-defined clear standards are not mentioned in any capacity.

Celestica and CTC have a different approach to their compliance, as described in their respective statement. The prior bases its compliance model on both internal and third-party frameworks, whereas the latter focuses on internal governance, without referencing external standards or legal instruments. It suggests a more self-regulated approach from CTC. When discussing compliance, this analysis puts into perspective the necessary steps taken by a company evolving in a riskier industry. The compliance approach taken

by Celestica necessarily reflects the risks incurred by the industry it does business in. CTC's less at-risk goods production gives the company the opportunity to show less compliance to other frameworks, where Celestica, considering the operations and the production it is running, can't afford to do.

3. External Stakeholders

For this criterion, the study will examine the references made by the statement from both companies regarding the importance given to external stakeholders. Celestica repeatedly mentions its involvement with the RBA, which includes industry collaboration and a third-party audit system. It states: "Celestica is a founding (and remains a) member of the Responsible Business Alliance ('RBA'), a non-profit coalition of companies that, among other things, establishes standards for its members in responsible and ethical practices." The "Validated Assessment Program" audits set up through the RBA are conducted according to the regulations of the organization. "As part of the RBA Compliance Program, these suppliers may be assessed every two years through the RBA's Validated Assessment Program ('VAP') by an RBA independent third-party audit firm." To do so, the RBA uses industry tools and benchmarks shared across the whole network of organizations to ensure a well-regulated environment. While Celestica only mentions the RBA, as an industry association, and does not mention any other potential external stakeholders, being aligned with a multi-company platform shows a commitment to shared responsibility and transparency from the company.

CTC, on the other hand, reports its work done with third-party audit firms, which are assessing suppliers in the higher-risk areas. They have been doing so using the

“amfori Business Social Compliance Initiative (BSCI) standards, which align with the standards in the Supplier Codes.” In their section on raw material, they discuss another external stakeholder involved in ensuring the respect of human rights and labour laws in their GVC, called “CottonConnect,” stating: “CTC works with CottonConnect. This organization aims to improve the knowledge, business practices and community livelihoods of cotton farmers while reducing the environmental impacts of cotton farming.” Further than that, no other mention of NGOs, multi-stakeholder associations or initiatives is made. This shows how CTC is fairly reliant on its own processes but does not involve as many external stakeholders as could be expected from a company of this scale. The approach taken by CTC, as a strictly functional and audit-driven relationship with external stakeholders, underlines a certain lack of engagement. Both companies rely on third-party auditors, but the engagement from Celestica with a recognized industry alliance gives it a solid position within a broader governance context and shows a deeper commitment to its stakeholders. The study shows how a company evolving in a more at-risk industry will try and be more involved with external stakeholders in order to mitigate the risk of modern slavery and forced labour cases in its GVC.

4. Grand Statements

In this section, the study will examine what “Grand Statements” are made by companies in their document. These vague sentences are often used by companies to share a commitment to a cause that all other companies have committed to and are usually there as a way of fitting into trends, and not necessarily giving any actionable goals. Having a few of them in a modern slavery statement seems like a given, reflecting a common

tendency among multinational corporations to align with dominant industry narratives rather than provide operational detail. If a statement is fully loaded with this kind of affirmation, it usually reflects a lack of concrete actions, goals or overall commitment.

Celestica avoids making overly promotional claims in its statement and makes an effort to have actionable plans and clearly defined goals. Their processes, expectations, and policies are well described, and the company focuses on clarity rather than on moral declarations. Celestica emphasizes its alignment with the “RBA Code of Conduct” and focuses on supplier assessment tools like the “RBA Facility Risk Self-Assessment Questionnaire” and third-party involvement through the “Validated Assessment Program (‘VAP’) by an RBA independent third-party audit firm.” The document relies less on broad and meaningless statements.

CTC’s modern slavery statement contains some broad assertions as described above, such as having a “zero-tolerance approach” to forced labour and child labour. It also states: “CTC is committed to upholding workers’ rights and working conditions across its supply chain.” These declarations are not followed by any clear definitions, enforcement mechanisms or any measurable criteria. Using this kind of language in its statement, the company betrays a lack of detailed operational procedures.

Both companies, to a certain degree, have made some broader statements in their document, but a closer look shows how CTC is more inclined to use them, while Celestica usually focuses on actionable indications. This reflects a deeper level of commitment to actually making a difference compared to a less engaging stance taken by CTC.

5. Risk Identification

Both companies are aware that having operations in Malaysia is synonymous with having operations in a riskier area. Considering the lack of public governance and local regulations in place in this region of the world, both companies have to show they identify and mitigate the risks linked to having operations there.

Celestica acknowledges that its operations span higher-risk regions across the globe and gives further details on how its due diligence practices are risk-based, especially for suppliers with operations in regions usually associated with modern slavery. The statement explains that “we conduct further reviews of our suppliers based on risk factors, such as location and commodity, to validate labour practices within the supply chain.” In this case, Malaysia is not specifically mentioned but given the description of a high-risk area offered throughout the statement, it is fair to consider the country as included in their list under this classification. This proves how seriously Celestica takes the risk linked to having operations in this kind of region and how it operates and adapts its approach, always accounting for them.

CTC also recognizes the existence of higher-risk areas around the globe and in its GVC. It states that it “regularly assesses ongoing and emerging risks” and that its “Responsible Sourcing team”, “leverages amfori’s ESG Risk Compass data and internal purchase volumes of products across all banners” as part of their evaluation process. However, its statement, CTC gives little to no details as to how their “Responsible Sourcing Team” determines which regions are considered at-risk and what the conditions are to be described as such. The company gives no insights into how the geographic or sectoral risks are assessed or prioritized.

Through the analysis of this criterion, the study clearly shows how the two companies have different approaches to their risk identification processes. On the one hand, a company producing goods known to be at-risk will go into further details about how it identifies and mitigates said risks, while a company not producing these kinds of goods will acknowledge the potential risks, but not go into deeper details about how it came to this conclusion and avoid naming frameworks or methodology used. The approach taken by CTC can be described as less transparent.

The table below summarizes key points from the modern slavery statements of Celestica and CTC based on the five analytical criteria. It highlights how Celestica, operating in a higher-risk industry, tends to provide more detailed and structured disclosures, while CTC, operating in a lower-risk sector, uses broader language and fewer external frameworks. The quotes illustrate the level of engagement and transparency each company demonstrates in addressing modern slavery risks within its GVC.

Table 7 - Comparison of Modern Slavery Statements: Celestica vs. Canadian Tire Corporation (Malaysia)

Criterion	Celestica	Canadian Tire Corporation
Due Diligence in Place	<p>“Expected to complete the RBA Facility Risk Self-Assessment Questionnaire” and “Validated Assessment Program by an RBA independent third-party audit firm”</p> <p>“internal monitoring tools” and “remediation measures” requiring “corrective action to eliminate the risk and take preventive measures”</p>	<p>“Ethical Sourcing team” conducted audits of “1590 factories across 30 countries”</p> <p>“all audits leveraged by CTC conducted by third-party auditors”</p> <p>“amfori Business Social Compliance Initiative” audits</p>

		<p>“align with the standards in the Supplier Codes”</p> <p>“an in-person factory inspection is conducted, and the vendor must provide or complete a valid social compliance factory audit”</p>
Compliance	<p>“At Celestica, we have adopted and audit our operations and supply chain to the RBA Code of Conduct.”</p> <p>“the Universal Declaration of Human Rights, ILO International Labour Standards, OECD Guidelines for Multinational Enterprises, ISO and SA standards, and the UN Guiding Principles on Business & Human Rights”</p> <p>“where the supplier failed to implement corrective action to our satisfaction, we had the discretion to elect to terminate our relationship with such supplier</p>	<p>“All merchandise vendors are expected to either sign onto the applicable Supplier Code or provide a copy of their internal code of conduct that meets or exceeds CTC’s standards.”</p> <p>Internal policies and the “amfori Business Social Compliance Initiative (BSCI) standards” used for compliance.</p>
External Stakeholders	<p>“Celestica is a founding (and remain a) member of the Responsible Business Alliance (‘RBA’), a non-profit coalition of companies that, among other things, establishes standards for its members in responsible and ethical practices.”</p> <p>“As part of the RBA Compliance Program, these suppliers may be</p>	<p>“amfori Business Social Compliance Initiative (BSCI) standards which align with the standards in the Supplier Codes”</p> <p>“CTC works with CottonConnect. This organization aims to improve the knowledge, business practices and community livelihoods of</p>

	assessed every two years through the RBA's Validated Assessment Program ('VAP') by a RBA independent third-party audit firm."	cotton farmers while reducing the environmental impacts of cotton farming."
Grand Statements	Focus on actions: "RBA Code of Conduct" Supplier tools like "RBA Facility Risk Self-Assessment Questionnaire" and third-party audits "Validated Assessment Program ('VAP') by a RBA independent third-party audit firm"	"zero-tolerance approach" to forced labour and child labour "CTC is committed to upholding workers' rights and working conditions across its supply chain."
Risks Identification	"we conduct further reviews of our suppliers based on risk factors, such as location and commodity, to validate labour practices within the supply chain."	"regularly assesses ongoing and emerging risks" "Responsible Sourcing team", "leverages amfori's ESG Risk Compass data and internal purchase volumes of products across all banners"

Overall the Malaysia case illustrates how institutional quality and sectoral exposure influence the way companies operationalize their governance mechanisms. Firms facing higher exposure to forced labour risks and stricter international scrutiny, such as Celestica, tend to integrate global standards more deeply and engage in collaborative governance networks. In contrast, companies in lower-risk sectors rely more heavily on internal oversight and self-regulation, resulting in a more procedural and compliance oriented approach to the Canadian Supply Chain Act.

The comparison of Celestica and Canadian Tire Corporation (CTC) highlights how sectoral risk exposure shapes the depth and nature of corporate disclosures. Celestica, operating in the at-risk electronics industry, presents a more structured, externally aligned approach, emphasizing due diligence and engagement through industry frameworks like the RBA. In contrast, CTC, sourcing from a lower-risk sector, relies more on internal governance and offers less detailed risk identification and compliance measures. These findings suggest that companies in higher-risk sectors tend to disclose more robust procedures and align more closely with international expectations. The next section will analyze two additional companies operating in Thailand.

Thailand – Comparison Between Arc'teryx and Magna International

Overview of the companies and sector risks

The following section will examine two companies operating in Thailand, a country with a history of modern slavery and forced labour cases. On the one hand, Arc'teryx, a Canadian outdoor apparel and garment brand, operates under the Amer Sports brand, a Canadian-American company. On the other hand, Magna International is an automotive electronics supply chain manufacturer. Both companies have operations or sourcing activities in Thailand, but both their sectors have differing risk profiles. On its website, Arc'teryx has a section on its suppliers, and Thailand is mentioned, specifically with its Nan Yang Knitting Factory Co. (Arc'teryx). On its website, Magna publishes the terms and conditions for the suppliers they have in each country, and Thailand has a section dedicated, highlighting that it has operations there (Magna International, 2024). In the *List*

of Goods Produced by Child Labour or Forced Labour (Bureau of International Labour Affairs, 2024), garments are identified as an at-risk good in Thailand, which coincides with the sector. In the same list, electronics components are not considered at-risk in Thailand, which offers this study the comparison necessary to understand the difference in approach between companies from different sectors in the same country.

Framing this comparison within the conceptual framework, the Thailand case allows the study to observe how Canadian regulatory pressure interacts with Thailand's institutional context and sectoral exposure. By contrasting an at-risk garment supply chain with a lower-exposure automotive-electronics chain the analysis tests whether disclosure depth and governance practices track sectoral risk or whether firm-level governance choices override sector classification under the same regulatory environment.

Analysis of Modern slavery Statements

In this section, and based on various criteria, the study will highlight the relevant parts from the statements published by the companies.

1. Due Diligence in Place

In its statement, Amer Sports, the parent company of Arc'teryx, described its due diligence, but does so in a mostly generic way. The company makes references to its policies and internal ways of conducting activities, with examples such as its "Responsible sourcing" policies and vendors' onboarding process, which includes a review of ethical and human rights criteria on top of "ensuring that minimum requirements are met". The company mentions that "existing and new suppliers [...] are audited by a third-party audit company" and that "corrective actions are implemented before sample or bulk orders can be placed." Still, it does not go into further details beyond these general mentions. While

it describes “risk assessment metrics for various countries” and some “third-party service providers” for risk evaluation, it does not emphasize concrete auditing schedules, escalation processes, or a systematic breakdown of risk mitigation steps. No mention is made of due diligence made specifically for Thailand or any other at-risk country, showing a lack of engagement from the company.

Magna International, on the other hand, offers a deeper and more detailed account of its due diligence practices in place. It goes into great detail to describe a multi-step process, including supplier risk assessments, contract clauses allowing for the prohibition of modern slavery as well as expectations that “failure to comply with our Supplier Code can result in the termination by Magna of the supply relationship.”. The statement also discusses a third-party supply chain risk monitoring and mapping tool, which monitors and provides real-time alerts regarding a number of ESG-related categories, including forced/child labour and poor working conditions.”. Magna International also explains that “selected suppliers [are required] to complete ESG self-assessment questionnaires (SAQs)” and that, depending on risk, “more comprehensive on-site audits” may be triggered. While not as exhaustive as other companies, the insight given by Magna International on their due diligence processes is clearer and more process-driven than the one offered by Amer Sports in their own analysis.

In comparing the two due diligence processes in each statement, the study reveals how stronger and more transparent the stance taken by Magna International is. Even if Arc'teryx is producing goods more at risk in Thailand, the company does not seem to make a tremendous effort to show how its due diligence practices will prevent the rise of modern slavery or forced labour in its GVC.

2. Compliance

When discussing compliance, Arc'teryx's parent company, Amer Sport, states its adherence to various commonly referred to international human rights instruments like the "International Labour Organization (ILO) Standards and the United Nations' Universal Declaration on Human Rights." If these international frameworks are mentioned, it is not explained in the statement how they are operationalized within the company's GVC. References are made to internal policies such as the "Code of Conduct," which "defines the major principles of the company's business conduct" and the "Ethical Policy," where suppliers are "expected to adhere to our Ethical Policy, including local labor laws and regulations relevant to the business." Additionally, the statement does not mention legal obligations beyond the different national laws requiring the development of such a document, like the UK Modern slavery Act or the Supply Chain Act. Through the coding of the statement, the study reveals that little is mentioned about how compliance is ensured, with only a few relevant parts of the document dedicated to describing the processes followed by the company.

Magna International, on the other hand, present a more grounded view of compliance in its modern slavery statement. Beyond referencing its "Supplier Code of Conduct," "Global Labour Standards," and "Human Rights Statement," Magna also outlines clear expectations for supplier behaviour, noting that "a failure to comply with our Supplier Code can result in the termination by Magna of the supply relationship." While international and supranational frameworks like the UN Guiding Principles or the OECD guidelines are not mentioned by name in the statement, the company describes a well-

integrated system of compliance checks, such as “supply chain risk monitoring and mapping” and the requirement that “selected suppliers complete ESG self-assessment questionnaires (SAQs).” This approach gives the statement published by Magna International a more substantial depth and shows how the compliance level enforced by the company improves its overall GVC.

Both companies have a very different approach to compliance, with Amer Sport aligning with global principles without explaining what effects it has on its processes and Magna International demonstrating a more pragmatic approach to compliance, seemingly more rooted in operational control over the GVC.

3. Supply Chain Transparency

Arc'teryx's parent company “publishes a list of its finished goods suppliers on the Amer Sports' website and updates this list regularly,” which demonstrates a commitment to transparency in the GVC from the company. However, the description does not extend much further. While Amer Sports mentions that it “monitors and improves the social, environmental, and material compliance of [its] global suppliers” and that it uses “third-party audits” to verify compliance with its Ethical Policy, there is no deeper breakdown by country, region, or raw material sourcing traceability beyond finished goods. Again, the study shows how Amer Sports does not get into relevant details to explain its efforts to prevent modern slavery and forced labour in its supply chain and would rather simply state facts regarding its GVC, without any elaboration on processes, reasoning or actionable commitments.

Magna International does not publish a list of its suppliers but explains that “due to the number and complexity of the products we manufacture, Magna's supply chains

consists of a substantial number of suppliers globally, the composition of which changes within each calendar year and from year to year.” This is a first explanation as to why the company does not publish a suppliers list, but it does not explain everything. The company mentions its efforts to improve oversight and describe its use “third-party supply chain risk monitoring and mapping tool,” however, these practices are internal and cannot be verified by external stakeholders, which shows a lack of transparency from the company and takes away some credibility from the overall argument made in favor of traceability. The company does not use any country-specific sourcing data or further traceability mechanisms to ensure transparency.

While both companies do not have a perfect approach to transparency, Amer Sports still performed better on this criterion since it publishes publicly a part of its GVC. Magna’s approach, while complex, still remains fairly opaque and limits external accountability.

4. Risk Identification

Amer Sports describes briefly how it has “partner[ed] with third-party service providers to establish risk assessment metrics for various countries, regions, and industries,” covering areas such as human rights and political governance but does not name Thailand specifically. It also describes the “Humane Rights Impact Assessment”, it has put in place in 2023. This initiative enables the company to “identify high-risk regions and higher-risk areas in [its] supply chain,” yet no specific geographies are mentioned. This analysis to identify risks in the GVC did not lead to a change in operations, geographies, or processes. Further, no details are given on how risk levels are determined by the internal study and how these results influence the supplier’s decision.

Similarly, Magna International discusses its identification of “certain areas of [its] supply chain that carry the potential risk of forced/child labour” but does not specifically mention Thailand or other high-risk areas explicitly. The company cites the use of “publicly available non-governmental external data sources,” “information learned through participation in industry associations,” and a “third-party supplier risk assessment tool” as parts of its risk assessment process. However, the statement does not elaborate on a specific framework for identifying high-risk geographies. It mentions that suppliers identified as higher risk receive “enhanced due diligence” but offers no precise details. Both companies acknowledge risks, but neither ever provides a clear description of the processes leading to such a conclusion. The frameworks used for country-specific risk assessment are not described but only mentioned. This lack of details is showing a lack of effort from both companies but could be considered slightly more concerning since Amer Sports is operating in a sector flagged at high-risk in the specific country of Thailand, yet still avoids naming specific countries in its statement.

5. External Stakeholders

In its statement, Amer Sports mentions cases where it has been using “third-party service providers to establish risk assessment metrics for various countries, regions, and industries” and has implemented “a grievance handling procedure using multiple anonymous channels.” It shows how the company has been using some external stakeholders in the development and enforcement of its policies. Compared to other statements, however, there is no mention of NGOs' involvement or collaboration, nor industry alliances described, nor civil society initiatives impacting the business environment in which the company operates. The engagement from external

stakeholders from Arc'teryx appears functional rather than participatory. The goal of the company does not seem to be to involve as many stakeholders as possible to guarantee the better impact of its initiatives, but rather to use the external parties to “verify the adherence to our Ethical Policy” and ensure compliance, rather than as active partners in shaping broader human rights initiatives or policy developments.

Magna International similarly does not name any NGO with which it engages in its operations. The company refers to a third-party monitoring platform and outlines what the expectations are for the supplier cooperation, but limits the external stakeholders to audit contractors. Similarly, Magna International's statement does not mention any joint initiative with other actors from the industry, worker or employee-led initiatives, or even multi-stakeholder engagement platforms.

The comparison between the two statements leads to an analysis to determine that neither of the companies demonstrates significant engagement with external actors and stakeholders beyond the occasionally hired auditors. Both companies seem to consider any external involvement strictly technical rather than building relationships with the external stakeholders, which in the end can limit their exposure to external and independent input and oversight, which could improve their processes.

6. Workers

In this criterion, the study will explore the importance given to the employees and workers by each company in their modern slavery statement. These stakeholders are the ones subject to the biggest risks of being involved in working conditions implying labour rights violations, and examining how companies train, protect and consider their workers will help the analysis be as effective as necessary.

In its statement, Amer Sports, the parent company of Arc'teryx, has a whole section dedicated to training. This shows how committed the company is to the well-being of its workers, but also how committed it is to ensuring that they are well-equipped to determine whether they are getting involved with modern slavery or forced labour. In this section, the statement mentions what the team are trained on, and how this training is supposed to help them make the best decision regarding their conditions or the conditions in which the supplier's employees they are working with are in. The statement also mentions whistleblower protection, which can apply to employees and workers as well, once again showing the commitment of the company to having an environment safe and trustworthy environment for the workers. One key aspect, however, is that according to the company, each "employee is responsible for their own behaviour, acting with integrity, and observing the highest standards of business ethics," which is a statement that could lead to some abuse, and does derive the responsibility away from the company to the workers. In the cases of the supplier's workers and employees, such a statement could also take the responsibility away from Amer Sports, which could be ill-intended.

Magna International mentions the training its employees and workers are subject to as well. The companies goes into some details as to what it entails, but is more specific on what the employee are being trained on, notably employee are trained "on responsible sourcing and global supply chain laws, covering such issues such as child labour, human trafficking, forced labour, and the responsible use of third party labour brokers." which are all topics highly relevant to this study. The statement also shows that the training is supposed to go beyond simply the employees and workers of Amer Sport and Arc'teryx,

but also to the vendors and suppliers, without going into more details on how this is ensured.

Overall both companies have workers protection program and workers training program in place, but it is interesting to mention how Magna International is keeping the responsibility of the safety of the employee and the state of their working conditions whereas Amer Sports is subtly making sure to push the responsibility away from the corporation to the individuals working. This point of comparison between the two companies gives this study relevant insight into how they both consider their responsibilities in the topic of modern slavery and forced labour.

The Thailand comparison indicates that sector classification alone does not determine the quality of governance and disclosure: despite garments being flagged as higher risk in Thailand, Magna presents more process detail while Amer Sports remain quite general. This pattern supports the framework's claim that institutional context and firm-level governance mediate how Canadian regulatory pressure cascades through multinational supply chains.

The analysis of Arc'teryx's (via Amer Sports) modern slavery statement and Magna International's same document demonstrates that the risk profile of a company's sector does not necessarily define their strength or the clarity of their statement. Although Arc'teryx operates in the garment sector in Thailand, which is an industry deemed at risk by the US Department of Labour, the company's statement remain fairly broad and light on details regarding its activities, processes and good practices regarding the various area of interest detailed in the analysis, Areas such as risk assessment, supply chain transparency and traceability and enforcement mechanisms are repeatedly mentioned

yet rarely expanded upon. Magna International, meanwhile, offers a more comprehensive view of its due diligence processes in place, despite sourcing from an industry not flagged as high-risk by the US Department of Labour in Thailand. The company described its compliance expectations, the use of its monitoring tools and gives a more concrete account of how various risks are assessed are managed within its GVC. Notably, its worker training programs appear better aligned with supply chain realities, even if the overall perspective taken by the company remains cautious in the statement.

It is interesting to see how both companies fall short in areas such as a country-specific approach and meaningful engagement with stakeholders. This comparison leads the analysis to the conclusion that the regulatory pressure or the sector classification alone is not sufficient to drive effective and substantive reporting. Seemingly, what matters the most is how companies interpret their obligation and choose to operationalize them through transparent, measurable and enforceable processes.

Table 8 - Comparison of Modern Slavery Statements: Arc'teryx vs. Magna International (Thailand)

Criterion	Arc'teryx (Amer Sports)	Magna International
Due Diligence in Place	"ensuring that minimum requirements are met"; "Corrective actions are mentioned once throughout the statement with no deeper process explanation."	"Supplier Management function uses a third-party supply chain risk monitoring and mapping tool, which monitors and provides real-time alerts regarding a number of ESG-related categories, including forced/child labour."

Compliance	<p>“International Labour Organization (ILO) Standards and the United Nations’ Universal Declaration on Human Rights.”</p> <p>“Amer Sports’ Ethical Policy is included in our contract with all suppliers who confirm that no part of their business operations contradicts the requirements of the policy.”</p>	<p>“Our Supplier Code is a foundational document in our business relationships with suppliers. It outlines the human rights, labour and other standards we require every entity that supplies goods or services to Magna to adhere to.”</p>
Supply Chain Transparency	<p>“publishes a list of its finished goods suppliers on the Amer Sports’ website and updates this list regularly.”</p>	<p>“Magna’s supply chains consists of a substantial number of suppliers globally, the composition of which changes within each calendar year and from year to year.”</p>
Risk Identification	<p>“Human Rights Impact Assessment (HRIA) and gap analysis to identify the most salient human rights impacts.”</p>	<p>“identified certain areas of our supply chain that carry the potential risk of forced/child labour”; “third-party supplier risk assessment tools.”</p>
External stakeholders	<p>“partner with third-party service providers to establish risk assessment metrics.”</p>	<p>“Supplier Management function uses a third-party supply chain risk monitoring and mapping tool.”</p>
Workers	<p>“Every Amer Sports employee is responsible for their own behaviour, acting with integrity, and observing the highest standards of business ethics.”</p>	<p>“mandatory enhanced compliance training for employees on responsible sourcing and global supply chain laws, covering such issues such as child labour,</p>

		human trafficking, forced labour, and the responsible use of third party labour brokers.”
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The table pulls together direct quotes from the modern slavery statements of Amer Sports (Arc'teryx) and Magna International. It organizes them based on the main criteria used in the analysis. By laying them out side by side, it makes it easier to see how each company talks about its practices and commitments. This way, it's clearer to see where one company goes into more detail or shows a stronger engagement than the other. It helps highlight the real differences in how seriously they seem to take the risks of modern slavery in their supply chains.

Cross-Case Analysis and Discussion

This study aims to evaluate whether Canadian companies with operations in Southeast Asia producing at-risk goods demonstrate stronger commitments and disclosure practices in their modern slavery statement than those in lower-risk sectors. It further seeks to find out whether any patterns can be drawn across sectors, countries, or specific compliance themes between the documents. To do so, the analysis will be built on the previously observed country-specific comparison.

Sectoral Risk and Modern slavery Disclosure Practices

The study bases the analysis on the three country-specific cases that have been done previously. The goal is to analyze how the sector of operation of a company will influence (or not) its rigour when disclosing information in its modern slavery statement. The

assumption would be that a company operating in an industry broadly recognized as at-risk for labour rights violations would tend to produce a more detailed modern slavery statement than one operating in a lower risk sector. However, the relationship between the country of operation and the operations themselves is not deterministic. Higher risk classification will increase expectation in reporting, and often correlates with stronger reporting, but first, it is not always the case, and second, a longer analysis of a GVC done in a modern slavery statement does not necessarily mean a higher quality. At the same time, a company's operation being in a lower-risk industry does not mean that it will be a poorer performer when looking at the quality and depth of its modern slavery statement. This indicates that the sector of operation alone, while important, is not a valid predictor of the rigour of a modern slavery statement and that other factors (like corporate commitment or stakeholder pressure) will impact how thoroughly a company addresses labour law violations in their reporting. The following analysis will offer insight and illustrate how the sector of operation of a company will influence, but not determine, the quality of a modern slavery disclosure:

Due Diligence Processes: Companies in high-risk sectors demonstrated comparatively rigorous due diligence in their statements. For instance, companies operating in high-risk industries conduct detailed supplier audits, risk assessment processes extending deep into the supply chains, and various initiatives to prevent the emergence of labour exploitation. The companies often mapped out multiple tiers of suppliers and described how their policies would impact the different levels of the GVC. Examples like vetting labour brokers or banning recruitment fees across the whole global value chain are mentioned in an effort to manage existing and known risks. In contrast,

companies producing goods in certain countries where it would be less likely to see labour rights violations tended to go into less detail when showing their processes and efforts. They oftentimes simply stated the existence of a code of conduct or described basic supplier screening while not giving an extensive description on how they would assess and mitigate the risks. In the comparison of the Thai market and the Malaysian market, companies had an approach where they ticked boxes regarding due diligence. Companies formerly acknowledged the issues at hand but offered little to no insights into their active risk management processes. This contrast implies that where the industry of a specific country is considered at greater risk of modern slavery or forced labour, companies will feel more pressure to demonstrate concrete due diligence processes. On the other hand, where companies operate in a sector considered less risky, firms default to a more minimal legal compliance. Overall, sector-based expectations clearly push many companies toward deeper due diligence reporting, but the commitment to follow through varies by firm.

Transparency in Risk Disclosure: The depth of transparency shown by companies in their modern slavery statements also differed based on the sector of operations. Companies operating in industries and countries where the goods produced tend to be more inclined to modern slavery or forced labour are generally more forward in the description of their supply chain structure and possibly its vulnerabilities. For example, the case of the apparel industry in Vietnam shows a company providing disclosure of supplier locations and acknowledgments of specific challenges, like the prevalence of migrant workers or overtime abuses. This signals a willingness from the company to be open about risk areas inherent in their sector of activity in the specific country. By contrast,

companies in the sector considered as lower risk often keep their discourse at a broader and generalized level, with little mention of particular commodities or workforce segments from the GVC detailed. However, many of the statements remain abstract, declaring a zero-tolerance for modern slavery, forced labour or child labour and describing some policies while failing to identify where the company is most at risk across its supply chain. High-risk sectors, likely to be under more scrutiny, are more likely to disclose specifics and sometimes negative findings, like instances of non-compliance and their remediation plan, improving their transparency and credibility. If transparency was high among the high-risk cases observed, some were less open to disclose detailed findings, possibly out of concern for their public image or even legal liability. This illustrates that while the sector of operation, depending on the country, sets a baseline expectation regarding transparency, individual corporation transparency policies can deviate from the norm, and are influenced by factors beyond the risk label.

Stakeholder engagement and collaboration: Engagement with external stakeholders, such as NGOs, industry peers, local communities, emerged throughout the analysis as a distinctive feature to base the quality of a modern slavery statement on, while taking into consideration the industry and country of operation. Companies in industries more at risk of modern slavery often highlight their involvement with partnerships and consultations as part of their anti-slavery strategy. This reflects a recognition in order to tackle labour rights violations effectively, a collaborative approach is more effective. The garment industry is a relevant example, where throughout the statements, the study highlighted participation in multi-stakeholder initiatives and standards. These engagements not only reaffirm the commitment from companies, but

they also strengthen the real efforts and signal accountability. In the case of Thailand, Arc'teryx's modern slavery statement mentions its work with stakeholders to monitor labour conditions of workers, aligning its disclosure with their expectations. By comparison, companies in industries less at risk showed less involvement from external stakeholders and tended to focus on internal controls and audits with little to no mention of inputs from worker groups or civil society. Across the cases, it seems that meaningful engagement with stakeholders is the exception rather than the rule. Even companies operating in higher-risk sectors do not necessarily collaborate with existing NGOS or unions, which can limit the credibility of their commitments. There are opposite cases of intense involvement also mentioned in some of the statements, where human rights NGOS are consulted regularly regarding their operations. Ultimately, each company's choice of engagement degree with external stakeholders falls into its own hands but will significantly affect the perception of the rigour taken in the actual practices set up to reduce modern slavery and forced labour.

Implementation and monitoring: The last point of comparison highlighted by the study is the difference in the monitoring and reporting of the anti-slavery measures by the companies, where the industry and sector once again played a role. The expectations are that the company producing high-risk goods will have robust internal policies set up, but that they will also thoroughly prove their implementation within their GVC. In some cases, accordingly, the stronger statements regarding this topic came from companies producing the most at-risk goods, with concrete indications of the processes leading to the reduction of modern slavery and forced labour. In fact, numbers were shared by companies regarding the number of supplier audits conducted, and the remediation actions taken

during the timeframe covered by the statement, along with discussions of the outcomes of their actions. Some companies also mentioned third-party assessments or certifications, which they have been attributed, giving them more substance and credibility when describing their processes. These elements show a willingness from companies to measure their progress rather than simply stating that they are improving or simply saying they are going to improve. In cases where the good produced was less at risk, the analysis shows that companies tended to focus on less detailed aspects of the processes in place. The statements from these companies seemed to be lacking specifics in assessing the effectiveness of their actions and the results they achieved. This gap suggests that companies under less scrutiny consider the reporting and monitoring of modern slavery and forced labour in their supply chain as a formality, focusing more on the policy aspects of their actions and less on the results. This compliance-driven approach is highlighted by companies trying to tick boxes when discussing their monitoring of modern slavery and forced labour risks, and not aiming to necessarily reduce the cases. Even with companies producing high-risk goods, the commitment varied between the companies. Some listed ambitious policies but did not provide any key performance indicators, allowing for actual measures of the potential results of the actions created and put in place. Others have already published year-on-year evolution and used the data to draw concrete comparisons and measure the effectiveness of their actions. This shows that, rather than again, a company producing at-risk goods will not necessarily have better disclosure of their activities regarding modern slavery mitigation, and that other mechanisms are critical in determining whether a company moves from policy to practice. Modern slavery statements are most credible when reports are not just what the company

plans to put in place, but what it has done and how it measures the effectiveness of those actions. High-risk sector companies face greater pressure to close this loop, but only those with a genuine commitment actually do so.

Procedural depth against symbolic compliance

Through the comparison of Canadian companies whose GVCs extend into Thailand, Vietnam and Malaysia, the analysis reveals a divide between companies offering proof of a certain procedural depth in their modern slavery disclosures, and those engaging in a more “symbolic” compliance. Through the pairing, the study shows how often companies producing goods considered more at risk of using modern slavery or forced labour will go into deeper details regarding the mechanisms they use to mitigate the risks of labour laws violations, while companies producing goods less at risk will remain more on a surface level. The use of buzzwords and aspirational language from companies is put into contrast with other meaningfully operationalizing their commitments, detailing their audits, training and the consequences they cause.

Procedural depth is shown when a company goes beyond the mere mention of a policy or a process but implements and enforces it. Lululemon, for example, not only outlines its commitment to ethical sourcing and better conditions for the workers across the whole supply chain but also publishes a list of Tier 1 and Tier 2 suppliers each year. The same company also ensures its transparency beyond words with the publication of an “Impact Report” every year, mentioned in the modern slavery statement, allowing for the general public to gather information on its processes, policies and traceability of its products and raw materials. The responsible supply chain program, for the garment

company, is aligned with international standards and is monitored by third-party companies, showing how seriously it takes the risks of modern slavery and forced labour in its supply chain. Celestica, in its statement, outlines clear, structured processes based on the RBA code of conduct. It mentions how suppliers must complete rigorous self-assessment and meet a minimum compliance score before being able to operate with the company, but ensures that follow up audits are performed, showing how the company does not stop as simply mentioning actions and changes, but acts of on its commitment to reduce and prevent cases of modern slavery and forced labour in its supply chain. These disclosures indicate that companies are not simply saying they are against modern slavery and forced labour; they show how they operate a system to act against it. Their meaningful engagement is conveyed by the presence of specific actions or acknowledgment of outcomes in their respective statements. This demonstrates that their anti-slavery policies are solid, with existing procedures to identify violations, and consequences or corrective measures when an issue arises.

On the other hand, symbolic compliance will transpire in a statement where aspirational languages are used, with no active implementation. Several companies observed throughout the analysis adhere to the disclosure requirements of the Supply Chain Act without offering depth. Statements from companies like Amer Sports tend to repeat standard phrases like having a “zero-tolerance” for forced labour, yet the companies stop there in their explanation, offering little to no description of how this stance works in practice. Spin master corps mentions that it “expects” its suppliers to follow its ethical code and obtain the required industry certifications, which is another way of explaining that the company outsources the responsibility to a third-party auditor. This

kind of stance only offers partial reassurance to the stakeholders and the general public when reading the statement. All of the statements studied mention a code of conduct or alignment with international standards, but some of them provide few details about monitoring, enforcement or any findings throughout their GVC. Such companies seem to be fulfilling basic reporting formalities and using the right wording rather than showing the existence of concrete processes. These statements seem to be used more as a public relations tool rather than an accountability tool. Across the three country pairings studied, a pattern seems to emerge. In general, companies producing high-risk goods offer more details in their disclosure. In the case of Vietnam, Lululemon's statement was more detailed and contained actionable plans compared to Spin Master Corp's, which was less action-oriented. Similarly, in Malaysia, Celestica provided a deeper operational transparency, outlining step-by-step processes of how suppliers are evaluated before being hired and how compliance is managed throughout the GVC. These examples support the notion that companies producing goods at risk of modern slavery or forced labour will be more careful to offer greater details in their disclosure, ensuring that the stakeholders are able to measure the quality of their commitment. This can be explained by the scrutiny that most of the companies evolving in such an environment face. They will tend to back up their commitment with deeper details since they are under greater pressure to engage more deeply against modern slavery or forced labour. However, the case of Arcteryx demonstrates how this assumption does not always validate itself. Despite having operations in the garments and clothing industry in Thailand, and industry is considered a higher risk than Magna International's electronics industry, the company does not offer greater details in its disclosure and tends to only treat the topic of modern

slavery and forced labour mitigation in the GVC only at the surface. Amer Sports emphasizes corporate values and policies at a general level, yet offers limited insight into actual practices and results. By contrast, Magna International offered a more structured approach to accounting for its efforts. Its statement directly points to its Human Rights framework and reports in detail its due diligence activities from the year prior, telling the reader that it has internal mechanisms in place to measure its efforts and results. Far from being perfect, the approach taken by Magna International still gives more confidence to the stakeholders. This is a contradiction to the previous assumption, but allows the study to suggest that these are only tendencies, and that corporate approach and oversight are more important than the sector of operations. Factors such as a firm commitment to a safe work environment and a slavery free GVC, stakeholder pressure or regulatory environment likely influence whether a statement is purely PR practice or genuinely informative.

In summary, the study of the statements offers insight into the variation of approach from procedural depth to symbolic compliance. Companies ensuring procedural depth publish a statement marked by transparency, details and a willingness to reveal internal processes, while the ones only following symbolic compliance show form without function, with statements serving as weak assurance with little to no proof of efforts or change. While companies producing goods more at risk often show deeper disclosures, this is not universally true as shown by the case of Arc'teryx parent company Amer Sports' statement. Ultimately, genuine commitment transpires through statements not only claiming by demonstrating companies' efforts. The contrasts between the companies' modern slavery statements are a tangible proof of the need to look past the symbolic

language and to focus on another area of interest, such as the involvement of external stakeholders, allowing for a higher statement credibility.

External Stakeholder Engagement and Statement Credibility

An important factor shaping the credibility of modern slavery statements published by companies is the degree of engagement with external stakeholders. Throughout the study of the three countries, a pattern seemingly emerges: Canadian companies producing goods at risk of modern slavery tend to be more involved with the various stakeholders from their operations and collaborate more extensively with the external actors to ensure the credibility of their modern slavery statements. Conversely, companies producing goods at a generally lower risk of modern slavery or forced labour will tend to have weaker engagement, limited to simple compliance. However, it is notable that not every company has succeeded in establishing meaningful partnerships, which therefore weakens their transparency, relevance and credibility of their statement. In this section, the study will analyze these dynamics, drawing on the comparative cases from each country.

It seems like companies producing goods generally are more at risk of modern slavery or forced labour in their GVC, and in specific industries, like apparel, electronics or manufacturing, would tend to seek help from external stakeholders. These companies would seek out their input in order to maximize the chances of having strong anti-slavery policies in place. Lululemon, for example, as stated in their document, works with third-party auditors and is highly involved in multi-stakeholder initiatives. Internal parties have been monitoring and auditing the factory labour conditions, but the company makes sure to also have external parties involved. Lululemon has selected facilities being assessed by the Fair Labour Association (FLA), allowing the company to show its commitment to a

fair and truthful report on the conditions of the workers in its supply chain. Collaborating with a proactive NGO such as the FLA gives weight to the company's report and demonstrates responsiveness to civil society expectations. In the same way, in the Malaysia case, the analysis of Celestica's statement also shows various industrial association engagements. The latter is a founding and active member of the Responsible Business Alliance (RBA), and aligns its practices with an external code of conduct (provided by the RBA) and subjects its operations to regular unplanned audits following the RBA's protocol. By leveraging the RBA's independent audit reports and peer benchmarking, Celestica adds credibility to its disclosure. Being involved with a recognized industry coalition shows that anti-slavery is being scrutinized throughout the GVC and helps continuously improve in regard to global tendencies and practices. In the Thailand case, a comparable pattern seems to occur, with Amer Sports, Arcteryx's parent company, being a member of the Fair Labour Association (FLA) since 2020, showing how the company has embraced external stakeholders' involvement. As mentioned, the FLA provides tools, independent evaluations and a platform to oversee the strength of the supply chain of the company. According to the company's modern slavery statement, and taking into account the risks linked to operating in Thailand, the suppliers there are regularly audited by external entities under the FLA's Sustainable Compliance Initiative. Through its collaboration with the FLA and co-development of a workers' welfare program with industry peers, the company demonstrates a deep level of external engagement. The examples given by all of these companies show how important it is for them to be involved with external stakeholders in order to increase their trustworthiness in the eyes of the

general public, and maximize their sales, as well as guarantee the well-being of the workers.

On the other hand, a more limited engagement can be found from companies producing goods less at risk of modern slavery or forced labour. Rather the engaging with external stakeholders, according to the analysis from their modern slavery statements, these firms typically limit their interaction with external entities to third-party audits or adherence to standard industry compliance schemes. The case of Spin Master Corp in Vietnam illustrates this tendency well. As a toy company, Spin Master Corp is under less scrutiny, but its modern slavery internal policies are more focused on internal oversight and industry-standard audits rather than multi-stakeholder collaboration. Its in-house Ethical Supply Chain program is far from bad, but does not offer as much guarantee as other previously mentioned engagements. Third-party inspectors audit their operations in Vietnam, which is a form of external inputs, however, they only serve as functional compliance. The statement discusses its own code of conduct and audits requirements while having little to no mention of NGOS, civil society or collaborative initiatives. The goal for Spin Master Corp seems to be about enforcing internal policies rather than tackling systemic issues. A similar pattern can be observed with the case of Canadian Tire Corporation, a company with a modern slavery statement largely reflecting an engagement with external stakeholders only on technical and compliance grounds. As mentioned for the case of Spin Master Corp, CTC uses third-party auditors to assess some of their factories, and accepts widely used standards (like amfori BSCI). Having such relations with a third-party audit firm demonstrates some external engagement, yet it remains mostly a transactional approach. There is no clear evidence of collaboration

with NGOS or participation in a multi-company initiative to address the root causes. CTC's statement strictly focuses on procedures rather than narrative descriptions of stakeholder partnerships. These kinds of statements do not convey the same level of credibility as those highlighting independent stakeholder input. In essence, companies producing goods not pose a risk of modern slavery or forced labour treat external engagement as a form of quality control, and not as a collaborative process to drive improvement. The result is statements with comprehensive policy details but less committed to social improvement or accountability. It portrays an image of control more top to bottom rather than an open dialogue and partnership with the external stakeholders.

The analysis of the cases suggests that being involved with external stakeholders is a key differentiator in the robustness of modern slavery statements. Firms producing goods at risk often respond to the external pressure put on their shoulders by opening up to stakeholders' input and being for their involvement. These firms will join multi-stakeholder initiatives, welcome independent auditors, and collaborate with other firms or NGOS. This engagement directly shapes their statements, with content becoming richer in details about specific risks, remedies and a step toward accountability. References to FLA or RBA standards indicate that the company's modern slavery statement is informed and validated by well-respected external frameworks. Having such references not only enhances credibility but also influences how and what the company reports in its statement. Lululemon, Celestica and Amer Sports' statements all benefited from this pattern, disclosing concrete actions that would not be possible without external engagement. For other companies, less engaged with external stakeholders, perceived credibility will be lower as a result. As modern slavery reporting evolves following

regulations such as the Supply Chain Act, there is growing expectation that the more engaged a company is with its external stakeholders, the more credible its statement will be. The Vietnam, Malaysia, and Thailand cases, therefore, demonstrate how external stakeholders have a central role in determining not only the content of disclosures but also the perceived integrity behind them. Collaborating and engaging with NGOs, independent auditors, and industry platforms tends to promote more transparent reporting and authentic accountability, while keeping the process internal can damage a statement's credibility and influence. It seems that the understanding for Canadian companies is the following: in order to adequately address Southeast Asian supply chain modern slavery, developing external partnerships is not just a good suggestion but possibly essential to the development of real and effective public statements concerning their efforts.

Conclusion

Summary & Contributions

This thesis aimed at understanding how Canadian companies with operations or supply chains in Southeast Asia respond to Canada's *Supply Chain Act*, which came into effect in 2024. In doing so, this research contributes to the literature on corporate accountability in GVCs, modern slavery governance, and the effectiveness of transparency-based regulation. The research was based on the growing global concern over modern slavery and forced labour within GVCs and motivated by the limited empirical understanding of how national-level regulations in developed economies affect

corporate conduct, especially abroad. Despite the growing number of academic papers on the causes and characteristics of modern slavery, only a few studies have focused on how legislation influences business practices, particularly in foreign and high-risk environments where governance structures may be weak or fragmented.

To address this gap in the literature, this study adopted a qualitative content analysis of modern slavery statements published by six Canadian companies operating in Vietnam, Malaysia, and Thailand. These three countries are all identified as having a high prevalence of modern slavery as well as regulatory and enforcement limitations.

The selected firms represent a range of industries, including electronics, apparel and manufacturing. They were analyzed based on the structure, depth, and credibility of their disclosures under the *Supply Chain Act*. Key analytical factors included the identification of supply chain risks, the use of due diligence processes and the extent of external stakeholder engagement, among others.

The analysis revealed notable disparities in how companies approached the drafting of their disclosure obligations. Firms in sectors with historically higher scrutiny, such as the apparel industry, generally demonstrated more elaborate disclosures and included various references to external audits, risk mapping, or collaborative initiatives with NGOS and cross-industry bodies. In contrast, companies in sectors that are less exposed to consumer scrutiny and reputational risk, such as industrial manufacturing, tended to produce brief and generic reports that emphasize internal policies and codes of conduct. These reports often lack concrete evidence of enforcement or measurable outcomes.

One of the key findings of this research lies in the distinction between symbolic compliance and substantive engagement. Some companies appear to fulfill the letter of the law, submitting reports and referencing internal commitments, without demonstrating meaningful engagement and actions based on these commitments that improve conditions across the GVC. The language used in some of the reports was frequently vague or overly legalistic, making it difficult to assess whether due diligence measures were actually implemented or simply described in theory. This distinction has significant implications. Symbolic compliance may fulfill regulatory requirements, without reducing the structural vulnerabilities that enable exploitation, thereby undermining the Act's intent. Its effectiveness remains dependent on firm-level factors, industry dynamics, and stakeholder pressure.

Theoretically, this study reinforces existing critiques of voluntary and transparency-driven regulatory approaches. The findings support the argument that, in the absence of binding enforcement mechanisms or clearly defined due diligence obligations, disclosure laws often produce performative compliance rather than structural change. In this sense, the Act may serve more as a reputational management tool than as a mechanism for addressing the limitations of neoliberal regulatory strategies, in which states shift the burden of human rights protection onto the private sector without properly equipping them to ensure compliance.

At the policy level, the research highlights the need for stronger legislative tools. While transparency can play an important role in mobilizing civil society or shaping public discourse, its impact depends on whether disclosures are verified, acted upon or tied to consequences. The *Supply Chain Act* lacks these features compared to other existing

frameworks, which use various enforceable mechanisms, like financial penalties or civil liability.

Overall, this study demonstrates that while Canada's Supply Chain Act is a promising step toward more responsible global business conduct, its effectiveness in driving substantive change remains uneven and highly dependent on firm-level factors, industry dynamics, and stakeholder pressure. The research contributes to ongoing debates about the role and limits and regulatory intervention in global labour governance and points to the need for a more comprehensive approach, one that goes beyond transparency.

Implications of the Findings

The findings of this study carry implications for both theory and practice. From a theoretical perspective, the results reinforce institutional and global value chain theories by showing how regulatory pressures initiated by the Canadian government cascade through multinational firms and their suppliers abroad. However, the persistence of symbolic rather than substantive compliance demonstrates that regulation alone is insufficient to transform business behaviour when structural incentives remain unchanged. This finding contributes to the growing literature on the limits of voluntary and transparency-based regulation, emphasizing the need for more binding and context-sensitive approaches to corporate accountability.

At the policy level, the research suggests that transparency should not be treated as an end itself. Disclosure obligations can help mobilize public and stakeholder pressure, but their transformative potential depends on whether they are coupled with enforcement and verification mechanisms. For policymakers, this means that Canada's Supply Chain

Act could be strengthened through clearer definitions of due diligence, independent audits, and the introduction of sanctions or civil liability in cases of non-compliance. Collaborations between government, industry associations, and civil society would also enhance policy coherence and reduce the burden of compliance on individual firms.

In practical terms, the findings offer guidance for companies operating in high-risk sectors or under similar regulatory frameworks. Firms that move beyond a compliance-oriented mindset and embed human rights due diligence within their core business strategies are likely to develop more resilient supply chains and gain long-term legitimacy. This includes investing in supplier training, improving traceability mechanisms, and maintaining transparent engagement with external stakeholders. The research also highlights the role of consumers, investors and NGOs in holding companies accountable, demonstrating that responsible supply chain governance is not only a legal obligation but can also be seen and used as a strategic advantage.

Overall, these implications underline that meaningful progress against modern slavery requires a dual commitment: governments must move from transparency to accountability, and companies must shift from symbolic compliance to substantive change. Only through this alignment can the Supply Chain Act (and similar frameworks across the globe) fulfil their intended purpose of fostering ethical and sustainable global value chains.

Limitations

The research, while offering timely insights, faces some limitations that should be acknowledged. These limitations touch upon the scope of the data and the methodological approach adopted.

The analysis is based on self-reported modern slavery statements, produced by companies in response to the Act's disclosure requirements. Even if these documents are legally mandated, they are inherently limited by their public relations function and strategic framing. As such, they may not fully reflect the realities of corporate practices, the depth of supplier engagement or the actual presence of forced labour risks in the field. Without triangulation through independent audits, NGO reports, or fieldwork and observation, there is a risk of overestimating the sincerity or effectiveness of corporate compliance.

The study is also temporally constrained, considering that the law has been since the beginning of 2024, it only relies on the first modern slavery statement published by concerned companies. Most of them will still be adjusting to the new regulatory requirements, and their initial reports could represent a transitional phase rather than a mature engagement with GVCs' due diligence. It is possible that subsequent reporting cycles will bring improvements in clarity, depth, or action, particularly as regulatory expectations and peer benchmarking evolve.

Due to time and resource constraints, the research focuses on a small sample of six Canadian firms operating in three Southeast Asian countries, Vietnam, Malaysia and Thailand. This choice was intentional and allowed for in-depth, context-sensitive analysis. However, it also limits the generalizability of the findings. Companies operating in other sectors, regions or under different institutional pressures may exhibit different patterns of behaviour. For instance, Canadian firms active in other regions of the world with other GVCs might face different challenges and incentives in responding to the Act.

The methodology employed, a content analysis of corporate disclosures, has important strengths but also some boundaries. It enables detailed interpretation of how

companies frame their obligations and present their actions, but does not allow for quantifying patterns and therefore limits the depth of the analysis.

Finally, the study does not address the enforcement dynamics of the Act. Since the law is still in its early stages, little is known about how the Canadian government will monitor compliance or respond to companies that inadequately disclose in their modern slavery statement. This limits the ability of the study to evaluate the Act's institutional effectiveness.

While the study provides valuable insights into how Canadian firms are beginning to interpret and respond to the supply chain act, it should be considered as a preliminary exploration. Further research is needed to assess the law's long-term impact and the outcome for the workers' conditions across the GVC.

Future research

This study opens avenues for further investigation, particularly as the *Supply Chain Act* moves beyond its initial implementation phase. As regulatory expectations evolve and more companies publish a modern slavery statement, and do it in subsequent reporting cycles, there will be opportunities to deepen, broaden and diversify the empirical basis for assessing the regulation's effectiveness.

There is a clear path for longitudinal research. Since this analysis focused on the first round of reporting, it captured an early (and potentially incomplete) stage of compliance. Future studies could track changes, using the same criteria, throughout time and observe variation over time. A longitudinal approach would also allow for an evaluation of whether transparency requirements lead to any measurable changes in supplier practices or working conditions.

Another possibility would be for future research to incorporate a multi-stakeholder perspective in the study. Gaining insights from key stakeholders, like suppliers, workers, NGOs or trade unions, among others, would provide a more comprehensive understanding of how modern slavery risks are identified and monitored throughout the GVC. This perspective would allow us to bridge the gap between corporate narratives and on-the-ground realities.

Finally, a sectoral or regional expansion of the analysis would enhance the understanding of corporate responsibility across diverse environments. Future research could explore how Canadian firms with operations in other regions of the world respond to the disclosure requirements, and if this response is different from Southeast Asia. Likewise, focusing on other industries would allow for the observation of sector-specific challenges.

Taken together, these directions for future research reflect the complexity and evolving nature of regulatory efforts to combat modern slavery. They highlight the importance of sustained interdisciplinary inquiry to help navigate between law, business practices and human rights in GVCs.

Ultimately, this thesis is about the tension between policy and practice, between the ethical promises envisioned by lawmakers and the realities of enforcement and accountability in global supply chains. While legislation like Canada's Supply Chain Act signals political recognition of corporate responsibility for human rights, meaningful progress depends on how these commitments are translated into action. As global attention to modern slavery and forced labour continues to grow, so too does the need for regulatory frameworks that not only inform but transform. Research, policy and

activism must converge if transparency is to evolve from a reporting exercise into a tool for real, lasting change.

Statement on the Use of Artificial Intelligence

In the preparation of this thesis, Artificial Intelligence (AI) tools were used as a support instrument to assist with certain aspects of the writing process. Their contribution was limited to improving the structure, flow, and clarity of the text, as well as suggesting alternative formulations where appropriate. At no point did AI generate original research ideas, conduct analysis, or interpret findings; these remain the sole responsibility of the author. The use of AI is acknowledged here in the interest of transparency, as it functioned strictly as a complementary aid to the author's own academic work.

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