



CANNABIS EDUCATION GUILD (CEG)

a platform focused on global cannabis education, and social good.



**CALL FOR INPUTS:
TRAFFICKING OF PERSONS IN THE
AGRICULTURAL SECTOR**

attn: Special Rapporteur on Trafficking, Ms. Siobhan Mullay

FEBRUARY 2022

The following document is the Cannabis Education Guild's submission to inform the SR's report to be presented to the 50th session of the Human Rights Council, June 2022. The purpose of this document is to provide the SR with an overview of the Cannabis Education Guild's work and facilitate further advancements in the development and implementation of social policy for a slavery-free cannabis sector.



Submission to the Special Rapporteur on trafficking of persons in the agriculture sector: Creating a Slavery-Free Cannabis Industry

Submitted by the Cannabis Education Guild
February 15, 2022

Introduction:

The Cannabis Education Guild (CEG) welcomes the opportunity to respond to this call for inputs from the Special Rapporteur on the limits of current legal and policy frameworks that contribute to risks of trafficking in persons in the agricultural sector. The Report will be presented to the Human Rights Council in June 2022.

The information in this submission is based on the CEG's efforts to educate, advocate and protect labourers in the cannabis industry, in both the illicit market and legal sector. The CEG is a member of CHRI-founded Commonwealth 8.7 Network, a group of 60+ civil society organizations from across the globe that share a common vision to eradicate contemporary forms of slavery and human trafficking.

Today, the cannabis industry is at a critical moment in time, and so is the pandemic of modern slavery. As an emerging and rapidly growing industry, cannabis is uniquely positioned to become one of the most highly demanded crops of the next decade. As with most agricultural crops, labour exploitation is pervasive, with multinational corporations having little oversight of their vendors abroad. Migrant, farm and facility workers are not only susceptible to modern slavery in this new legal industry, but are already experiencing exploitation in both the illicit and legal production and trade of cannabis. The protection and the rights of workers is integral to the realisation of UN Sustainable Development Goal (SDG) Target 8.7 to 'take immediate and effective measures to eradicate forced labour, human trafficking, prohibit and eliminate the worst forms of child labour including the use of child soldiers, end modern slavery, and by 2025 end child labour in all its forms'. Cannabis legalization will significantly impact the attainment of this SDG Target. A detailed evaluation of traditional agriculture and supply chain operations is an important step to continue progress towards the eradication of contemporary forms of slavery in a nascent sector. Using the lens of SDG Target 8.7 and based on the CEG's first-hand knowledge, experience and expertise, this submission explores how government, and industry can integrate social policy into cannabis legislation, learning from the current limits in agriculture supply chains to help create a sector first - a slavery-free cannabis industry.



Risks of Exploitation in a New Supply Chain:

As an extremely versatile crop, cannabis is uniquely positioned to become one of the most highly demanded commodities of the next decade. Operating in both illicit and legal markets, and cultivated in 151 countries, cannabis is now legal in over 50 countries. With the economic growth probabilities witnessed amongst North America's commercial and medical systems, conversations of decriminalization and legalization across the globe have been gaining momentum. This is a critical shift from what was once a "War on Drugs," to an intense global trade of the cannabis crop.

Unlocking the global cannabis supply chain comes with risks of modern slavery. The expanding movement of cannabis legalization will demand low-skilled labour from third party sources and will be no different to all other cash crops. Without oversight to protect the workers on cannabis plantations, and other environments supporting low labour standards, modern slavery will continue to weave itself into the supply chain of this new burgeoning sector.

In many regions of the world where there is high risk of labour exploitation, the root cause is driven by the rise of a commodity, an increasing demand in consumer goods. The recruiting, harbouring and exploiting of humans is often unknowingly supported by businesses and consumers through the purchase of products and services that support unethical human practice.

The lack of transparency in supply chains and the global chain of custody is the primary reason that this problem persists in agriculture. The other being the lack of enforceable policy set by governments to help to make any form of modern slavery, by any size company, punishable by law.

Though there are many initiatives in place to try and improve and create an ethical approach to business, there is still a huge gap between commercial practices and market regulations. A growing number of countries have introduced new legislation which makes businesses legally accountable for crimes related to modern slavery, requiring public transparency about the steps they are taking to prevent and address modern slavery. In 2015, the United Kingdom introduced a landmark *Modern Slavery Act*, which includes a "transparency in supply chains" provision, mandating certain businesses operating in the UK to report on how they are eradicating modern slavery from their organization and supply chains.

In other countries, including France and Australia, similar reporting requirements have been implemented, and in 2012 California established the *Transparency in Supply Chains Act* requiring large companies to disclose their efforts to reduce modern slavery from direct product supply chains.

As the first G20 nation to legalize cannabis, Canada holds tremendous responsibility in shaping the future of the global cannabis industry. Policy implemented today can help protect millions of lives tomorrow. However to date, Canada has yet to adopt legislation targeted at modern slavery. In October 2020, Bill S-216, *An Act to enact the Modern Slavery Act and to amend the Customs Tariff* (the "Bill"), was introduced, and has now received two readings in the Senate.



The Bill, in its current form, requires annual reports to be submitted to the federal government including the steps a company has taken to prevent and reduce the risk of forced labour, and declaring whether goods are produced in Canada or abroad.

Although progressive, these regulations do not incentivize companies to change their behaviour—to prevent, mitigate or rectify abuses they detect. Nor do the Acts offer help to the victims of exploitation as they do not provide any liability or remedy if companies do make use of child or forced labour. The Canadian Bill is also limited in the scope of businesses covered by the Act, which are only those listed on the stock exchange in Canada, with at least CA\$20 million in assets, or have generated at least CA\$40 million in revenue, or employ an average of at least 250 employees. This excludes small and medium enterprises from any due diligence mandated by the Act, where a myriad of serious human rights abuses, widespread in Canadian global supply chains, can continue.

Protecting the health and safety of society includes ensuring the cannabis industry operates free of child labour, forced labour, human trafficking, and all forms of modern slavery through sector-specific regulation, thus creating a more inclusive, ethical, and equal opportunity market.

Is there evidence of exploitation currently happening in cannabis? What is the (imminent) risk of repeating past systems, processes and structures?

Cannabis, the largest growing new sector, which exists as both an illicit and legal trade has already demonstrated unruly practices in all areas of the supply chain and chains of custody.

In its nascent state, the legal cannabis market is already trafficking and exploiting labourers in both high income and low income countries. When an industry grows as fast as cannabis, practices from the illicit and corporate market will continue and the forces of lowering cost per good put workers at high risk of modern slavery.

In some regions, high risk drug trafficking zones like the Golden Triangle and Golden Crescent in Asia, and the Emerald Triangle in Northern California, now overlap with newly legal cannabis markets.

While players transition from the illicit market to the legal sector, cannabis risks the same bad practices of violence, forced labor and human trafficking. And though the cannabis supply chain is not yet as vast and murky as other crops, instances of modern slavery have already surfaced in the legal industry.

In 2021 alone there was three reported cases where migrant workers were exploited in facilities across North America, demonstrating how the legal sector is as susceptible to modern-slavery as the illicit market.



The illicit cannabis market has a long-standing history of relying on modern slavery. Some of the worst examples can be found in Northern Thailand (the Golden Triangle) where migrant workers and children from Cambodia, Laos and Myanmar are trafficked, as well as in India where local and Nepalese youth are trafficked to work on the farms. In legal markets, drug traffickers are deceiving migrant workers by operating non-licensed facilities, oftentimes forcing migrants into arrests.

In Western countries, cases of illicit cannabis slavery have been prevalent. In the UK, teenagers from Vietnam are trafficked to the country to work in cannabis underground operations. This has been an ongoing and rising issue for the past decade, highlighting the direct link between human trafficking and the global illicit cannabis market.

As cannabis becomes an agricultural commodity, industry experts forecast a price collapse in less than five years time. The cost per gram will plunge, forcing businesses to cut costs to remain profitable, a trend witnessed today in the North American market. The commoditization of cannabis may also force Western countries with harsher growing conditions to rely on tropical and subtropical climates for cannabis biomass. Without the support of international governing bodies to prevent modern slavery, the rapidly emerging cannabis industry is at risk of developing murky global supply chains.

While modern slavery continues, the realities of global trade and business make it inevitable that countries will be exposed to the risks of labour exploitation, both domestically and internationally. Policymakers, businesses, and consumers must become aware of this risk and take responsibility for it now.

By learning from past mistakes of the illicit cannabis market, along with the global supply chains of the agriculture sector, *the cannabis industry has an opportunity to embed Social Policy into the foundation of one of the world's fastest growing industries.*

The ultimate opportunity is not only creating a cannabis industry free from all forms of modern slavery, but of leveraging the sector's infancy to make time-sensitive change, and set a precedent for supply chain transparency at large, spurring accountability, and chain of custody responsibility across all sectors.

The development of an inclusive, ethical, and sustainable cannabis industry would be as valuable to governments and corporations as it would be to the end consumer. Eradicating inequality in a sector affects the global community. This paradigm shift to equalize human rights and business rights can transform business practice which brings awareness to all aspects of business practice, which includes the consumer and their choice to understand the brands and products they buy.



The Recommendation:

To ensure common ambitions and aligned actions can be leveraged to move from the current state of operations to paths of improvement, the CEG is recommending government and industry stakeholders work to align human rights and business rights. The CEG recommends the following leadership position for the Canadian government and subsequent legal cannabis markets to follow-suit:

1. Develop a Task Force

Goal: Integrate Canada's pending Modern Slavery Bill into the Cannabis Act for practice

2. Host a RoundTable discussion with multiple stakeholders to help identify key areas within businesses where practices require protection and monitoring mechanisms to help curtail the current situation and to develop tools to help hold businesses accountable for their supply chain, third party resources, and operating practices.

Additionally, we call upon the Government of Canada to develop a department or task force to oversee the policy integration, along with subsequent programs including:

- Audit program development
- Ombudsman program training
- Reporting programs
- Social good business development program with the express mandate of creating and funding opportunities for businesses to integrate best practices into their operations
- A mechanism of conditionality for businesses that have not ratified the protocol / different tiers of due diligence required for domestic and international operations
- Deploy a *Cannabis Supply Chain Task Force* focused on the *elimination of human exploitation*, enabling country cooperation for future import/export slave-free trade agreements

Every commodity has become a race to the bottom. Cannabis requires a system in place that provides mechanisms and measurement tools so the industry can be the benchmark for higher standards and human protection.

Cannabis is underdeveloped, it can be the first illicit market to create a new way of working; one that seeks accountability and transparency, by bridging the gap between government policies and commercial practice.

About the Cannabis Education Guild

The Cannabis Education Guild has been operating in Canada since October 2019, educating Canadian and international professionals on the legal cannabis sector, while investing in meaningful social impact to create a healthy and ethical industry. Through webinars, seminars and online courses, the CEG exists to help create healthy cannabis discourse, and prevent modern-slavery from entering the global cannabis supply chain.



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THANK YOU.

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