

**Public consultation on potential due diligence and civil liability measures to
fight labour exploitation in supply chains**

Unifor Submission

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Introduction

Unifor is Canada's largest union in the private sector, representing more than 320,000 workers across every major sector of the economy, including manufacturing, transportation, energy, communications, retail and service sectors.

We welcome the opportunity to respond to Employment and Social Development Canada's (ESDC) consultation on potential due diligence and civil liability measures to fight labour exploitation in supply chains, and to reiterate our long-standing position on the need for comprehensive supply chain legislation in this area. Moving away from a transparency approach towards a more comprehensive, pro-active model in eliminating forced labour from supply chains is critical to ensure the protection of labour and workers rights in Canada and around the globe, while holding Canadian companies and suppliers accountable for labour and human rights abuses.

Working alongside a tentative Canadian import prohibition on goods made with forced labour through Bill-C35, it is critical that an import ban, human rights and labour due diligence and civil liability legislation work in tandem in order to strengthen overall effectiveness, with proper coordination and communication with other national governments, business, labour unions and civil society partners.

Our recommendations have been structured in response to the questions posed by the government, the proposed options that have been outlined, and has been developed in close collaboration and consultation with our partners and allies within the labour movement and human rights organizations.

A Comprehensive Due Diligence and Civil Liability Framework

i. Scope

Regarding scope of rights coverage, Unifor supports due diligence obligations requiring regulated parties to identify, prevent and address actual and potential adverse impacts on fundamental labour rights, as set out in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (i.e. option 1). Bounded by these ILO Conventions, Canada's due diligence measures must remain consistent with our international commitments.

We would strongly urge the government, however, to broaden and extend the scope of rights coverage to include other closely interconnected areas of human rights and environmental protections. Companies must be equally held accountable for abuses against vulnerable groups such as migrant workers, the deliberate targeting of human rights and land defenders, lack of consultation and free informed prior consent from Indigenous communities and the degradation of land and water resources arising from

business operations, affecting entire communities and leading to their forced displacement.

Several key international instruments should inform Canada's due diligence and corporate accountability framework, including:

- The United Nations Guiding Principles on Business and Human Rights;
- The OECD Guidelines for Multinational Enterprises;
- The OECD Due Diligence Guidance for Responsible Business Conduct and related sector-specific OECD guidelines;
- The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy; and
- The United Nations Declaration on the Rights of Indigenous Peoples.

The scale of the problem is significant. In 2025, the Business and Human Rights Resource Centre documented close to 800 reported attacks against human rights and environmental defenders across roughly 80 countries (nearly a third were perpetrated against Indigenous Peoples), highlighting the extent of business-related human rights risk¹. Thirty (30) of these attacks were connected to companies headquartered in Canada. In 2023, our partners at the Canadian Network on Corporate Accountability (CNCA) released a series of case study reports linking Canadian companies - including Nygard International, Torex Gold Resources Inc., Feronia Inc., Barrick Gold Corporation and Goldcorp Canada Ltd. - to allegations of killings, torture, forced labour, arbitrary detention and intimidation².

These are not isolated incidents. They demonstrate the need to incorporate a broader lens to capture the full scope of human and labour rights violations while highlighting the systemic need for a legally binding due diligence obligation backed by strong enforcement measures.

Government has an important role to play and can actively support regulated parties in meeting their due diligence obligations. A few examples include:

¹ <https://www.business-humanrights.org/en/from-us/briefings/hrds-2026/navigating-a-global-crossroads-human-rights-defenders-and-business-in-2025/>

² <https://cnca-rcrce.ca/2023/03/01/cnca-case-studies-how-mandatory-human-rights-environmental-due-diligence-legislation-can-prevent-abuse/>

- Data collection and maintaining publicly accessible registries listing high-risk goods, regions and entities where labour, human rights and environmental violations have been documented, that is updated regularly;
- Reports and briefings on high-risk geographies, sectors and goods prone to labour and human rights abuses; and
- Digital toolkits, educational materials, trainings and workshops on due diligence implementation and compliance measures.

ii. Coverage

On coverage, due diligence obligations should apply to all businesses that are incorporated in Canada, headquartered in Canada, or have their principal place of business in Canada and that have operations abroad. However, limiting application based on a company's workforce size and generated revenues is less useful than one that applies a more risk-based and sector approach.

Forced labour, and other severe labour rights violations, are often concentrated in specific high-risk industries, including agriculture and food processing, extractive industries, construction, technology and manufacturing, where smaller firms and subcontractors are frequently implicated. We must avoid creating any inadvertent loopholes where smaller firms operating in high-risk sectors or industries where forced labour is present, are exempted simply due to a smaller workforce or smaller revenues.

Coverage must also explicitly extend to all federal departments, Crown corporations and institutions receiving core federal operational funding, to ensure government procurement does not undercut the integrity of the regime.

iii. Due diligence and reporting obligations

Unifor supports a due diligence obligation consistent with baseline international standards and guidelines, under which a regulated party would be required to:

- Embed due diligence into its policies and practices;
- Identify and assess actual and potential adverse impacts;
- Prioritize adverse impacts for action;
- Address adverse impacts by ceasing, mitigating, or preventing them;
- Monitor, assess, and continuously improve the effectiveness of measures taken;

- Establish a communication process enabling any person or organization to submit information about a suspected adverse impact;
- Submit an annual public report on due diligence activities and outcomes.

These obligations must extend throughout the full value and supply chain, including corporate subsidiaries, contractors, suppliers, distributors, logistics providers and labour recruiters and employment agencies. Labour recruitment is a well-documented point of vulnerability to forced labour/indentured labour, through debt bondage and deceptive recruitment fees, as has been the experience with Canada's Temporary Foreign Worker Program.

iv. Compliance and enforcement

Compliance and enforcement mechanisms are critical to due diligence policies. A fundamental flaw of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, was that companies were only required to report on what steps, if any, were taken to prevent and reduce the risk of forced or child labour in their supply chains. However, it required no action if companies were made aware of labour violations. In the government's own 2025 Annual Report to Parliament on the Fighting Against Forced Labour and Child Labour in Supply Chains Act, it was reported that while 83% of organizations had policies and due diligence processes in place related to forced labour and/or child labour, only half confirmed having policies and procedures in place to assess their effectiveness in ensuring that forced labour and child labour are not being used in their activities and supply chains.³

Unifor supports the creation of an arms-length, independent government body to administer, oversee and enforce Canada's due diligence measures. The creation of the Canadian Ombudsperson for Responsible Enterprise (CORE) was a promising step toward an oversight body capable of investigating allegations of human rights abuse tied to Canadian corporate activity overseas. Unfortunately, the CORE was not given the resources or independent investigatory powers needed to be truly effective.

A strengthened body of this kind should have the ability to:

- Conduct and initiate investigations on its own;
- Receive and investigate complaints from workers, unions and civil society;
- Compel the production of documents and information;

³ <https://www.publicsafety.gc.ca/cnt/rsrscs/pblctns/2025-frcd-lbr-chld-lbr-spply-chns-ct-scnd-rprt/index-en.aspx>

- Conduct random audits of company due diligence policies and practices;
- Issue binding compliance orders, impose penalties and publish enforcement decisions; and
- Provide technical assistance and tools to support due diligence implementation and enforcement.

Further, information self-reported by companies may not always be accurate. As such, it is critical that workers, labour unions, global union federations and civil society organizations are actively and regularly engaged with and have direct and accessible avenues to bring complaints to this body for investigation and not merely play an advisory or consultative role.

Civil Liability

Unifor supports enabling victims of forced labour or other labour exploitation to file claims for damages in a Canadian court against an entity regulated by the due diligence regime for its failure to conduct proper due diligence. A civil liability framework should also allow affected parties and other organizations, including NGOs and labour unions, to seek an interim court injunction to promptly halt harmful company practices, alongside access to compensation and other remedies. Robust protections for workers who bring forward complaints (i.e. whistleblower protections) are equally essential, to ensure they are not unjustly terminated, blacklisted or otherwise retaliated against for speaking out.

Ways to maximize effectiveness and ensure coherence with the forced labour import prohibition

Unifor agrees with the government that due diligence obligations and the Bill C-35 force labour import prohibition should be complementary, not parallel or disconnected regimes. With multiple departments and agencies involved - including GAC, Employment and Social Development Canada (ESDC) and the Canada Border Services Agency (CBSA) - there is a real risk of miscommunication, duplicated effort and gaps in information sharing. The reintroduction of an independent, arms-length body, such as a strengthened CORE, could play a critical coordinating role across these pieces of legislation and the relevant government departments and agencies.

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