Unifor Submission to Government of Canada Consultations on Measures to Strengthen Canada's Forced Labour Import Prohibition

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### Introduction

Unifor welcomes the opportunity to share its views on ways to strengthen Canada's import prohibition for goods made with forced labour. Unifor represents 320,000 workers across the country and is Canada's largest union in the private sector.

Labour exploitation in global supply chains is a pressing global issue, with tens of millions of workers subjected to forced labour, according to the International Labour Organization (ILO).

Despite the strict prohibition on the import of goods mined, manufactured or produced wholly or in part with forced labour under the *Customs Tariff* as well as recent efforts to enhance business and government supply chain transparency through the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, forced labour remains prevalent in global supply chains, including in industries supplying Canada. Canada's ability to both strengthen due diligence rules within global supply chains and effectively enforce existing laws on forced labour must be improved and expanded.

## Enhancing Canada's Forced Labour Import Ban

Unifor restates its call on the Federal Government to provide new enforcement tools to the Canada Border Services Agency, along with clear guidance, to stop imports of goods suspected of forced labour at the border.

One key step is for the government to issue guidance to Canada Border Services Agency (CBSA) and Employment and Social Development Canada (ESDC) officials on the evidentiary standards required to enforce Canada's forced labour import ban. This guidance would empower CBSA to take decisive action against goods suspected of being produced with forced labour, including issuing Withhold Release Orders (WROs). These orders would enable officials to withhold goods at the border when there is reasonable suspicion of forced labour, transferring the burden of proof to importers and suppliers. This reverse onus approach, used by the United States, would significantly bolster Canada's capacity to enforce its ban on forced labour.

# Unifor calls on the Federal Government to bolster resources for border officials responsible for enforcement.

Enforcement of the forced labour import ban requires adequate resources. The federal government should allocate additional funds to CBSA and ESDC, enabling them to better equip officials with the necessary training, tools, and support to implement this ban effectively. Expanded resources would enhance the capacity for CBSA and ESDC to coordinate with counterparts in the United States and Mexico, leveraging regional cooperation under the Canada-US-Mexico Agreement (CUSMA), to prevent goods produced with forced labour from entering North American markets.

#### Unifor supports the call for a minimum traceability requirement

The government should establish a "minimum traceability" requirement for goods at risk of forced labour, based on ILO indicators. Goods appearing on a publicly available list would be subject to additional documentation requirements, where importers must provide detailed information about the goods' supply chain journey. This policy would create a preventive mechanism, allowing Canada to trace goods suspected of being produced with forced labour more effectively. It would also signal Canada's commitment to transparency in its supply chains, incentivizing companies to adopt more robust tracking mechanisms. Canada should coordinate its approach with the United States Bureau of International Labor Affairs and its List of Goods Produced by Child Labor or Forced Labor.

#### Unifor supports the proposed implementation of a cost recovery model.

To deter non-compliance, the government should introduce a cost-recovery model – as proposed in its consultation background paper – requiring importers of goods determined to involve forced labour to bear the costs associated with detention, removal, or forfeiture of goods. This would not only relieve the government of an unwanted financial burden for enforcing the ban but also incentivize companies to ensure ethical practices in their supply chains to avoid these costs.

# In the forthcoming CUSMA six-year review, Unifor encourages stronger tri-national cooperation with the United States and Mexico to strengthen enforcement.

Enhancing cross-border collaboration with the U.S. and Mexico is crucial. Canada should work to establish a formal mechanism for information sharing and joint enforcement actions with these nations. By pooling intelligence and aligning enforcement practices, Canada can more effectively prevent transshipment practices aimed at circumventing forced labour prohibitions, thereby reinforcing regional trade and human rights standards.

### Special Considerations: Forced Labour in China's Aluminum Industry

The pervasive issue of forced labour in China's Xinjiang Uyghur Autonomous Region (XUAR) presents unique challenges. Unifor raised its concerns on forced labour goods penetrating the auto industry supply chain in its August 1, 2024, submission to Finance Canada, entitled: Advocating for a Strong, Sustainable Canadian Auto Industry. The XUAR has

become a significant player in global aluminum production, which is a critical material for the automotive industry worldwide. Recent reports indicate that forced labour is embedded in the supply chains of aluminum used in vehicle components. The Canadian government should consider specific measures to address forced labour risks associated with aluminum and other key materials and critical minerals sourced from high-risk regions like Xinjiang.

## **Benefits of Taking Action**

These proposed measures align with Canada's commitment to international human rights and would send a strong signal to global supply chains about Canada's stance against forced labour. By strengthening Canada's forced labour import prohibition, the government would:

- **Uphold Human Rights Standards**: Reinforce Canada's commitment to preventing forced labour, protecting vulnerable populations, and advancing fair labour standards globally.
- **Mitigate Supply Chain Risks**: Strengthen due diligence and traceability in supply chains, reducing reputational and operational risks for Canadian businesses. This follows the lead of other like-minded jurisdictions, like Germany, who have imposed stringent rules governing due diligence in supply chains.
- Enhance Trade Fairness: Establish a level playing field for Canadian workers, especially in light of exploitative practices in jurisdictions like China.
- **Promote Regional Collaboration**: Leverage regional partnerships to create a more robust enforcement regime, reducing the risk of forced labour goods entering North American markets.

# Conclusion

In conclusion, Canada has taken positive, albeit modest steps towards eradicating forced labour from its supply chains. However, to make meaningful progress, it is essential to enhance existing enforcement measures, provide clear guidance to enforcement agencies, allocate necessary resources, and introduce robust transparency and traceability requirements. Inaction is not an option, as it would render Canada complicit in perpetuating forced labour in global supply chains. The government's commitment to this issue will not only protect Canadian consumers and businesses but also position Canada as a leader in global human rights advocacy and ethical trade.