Oxfam Canada's Submission
Consultation on Potential Due Diligence and Civil Liability Measures to Fight Labour Exploitation in Supply Chains

OXFAM
Canada

Submitted To Employment and Social Development Canada
August 20, 2026

About Oxfam Canada

Oxfam Canada is an affiliate of the international Oxfam Confederation, a global movement working in 76 countries to end poverty and inequality. We work with communities, partners and women's rights organizations to advance economic, gender and climate justice and to ensure that public policy and international cooperation uphold human rights and support sustainable development.

Oxfam Canada brings decades of experience in policy research and advocacy to strengthen corporate accountability and promote greater coherence across trade, climate, gender and development policies. Our What She Makes (WSM) campaign, launched in 2021, focused on corporate accountability for living wages and a fairer economy, including through ongoing engagement with major Canadian fashion brands. The work reinforced the need for enforceable measures that require companies to respect human rights throughout their operations and supply chains, rather than relying on voluntary action.

Oxfam Canada is a member of the Canadian Network for Corporate Accountability (CNCA) and alongside the CNCA and its members, has long advocated for the adoption of mandatory human rights and environmental due diligence (mHREDD) legislation in Canada. Our analysis of Canada's modern slavery reporting law highlighted the limitations of the framework that relies on reporting without requiring companies to identify, prevent and remedy harm. Most recently, Oxfam Canada co-authored From Rana Plaza to Today: Why Canada must act on corporate accountability with the CNCA, showing that more than a decade after the Rana Plaza disaster, voluntary disclosure and reporting fails to adequately prevent, address, mitigate and remedy human rights and environmental harms linked to Canadian companies. This underscores Oxfam Canada's longstanding position that Canada needs strong, enforceable mHREDD legislation to ensure companies are held accountable for their impacts and to demonstrate Canada's commitment to human rights.

Background:

We welcome the Government of Canada's intention to move beyond reporting only requirements and introduce a mandatory due diligence framework requiring businesses to identify, prevent, mitigate and remediate adverse labour rights impacts in their operations. This represents an important step towards ensuring that Canadian businesses respect human rights throughout their global supply chain.

This submission focuses on several aspects of the consultation that we consider fundamental to the effectiveness of any future due diligence measures to address forced labour and human rights harm caused by businesses operating in Canada. Measures we propose are intended to effectively protect workers while remaining practical, proportionate and responsive to the needs of Canadian businesses.

Section 1: Key elements of a due diligence regime

We welcome Canada's intention to tackle forced labour through a due diligence regime that aligns with international standards, including the OECD's *Guidelines for Multinational Enterprises on Responsible Business Conduct*. While addressing actual and potential adverse impacts on fundamental labour rights is an important starting point, human rights are indivisible, interdependent, and interrelated. Labour exploitation rarely exists in isolation from other human rights abuses, including discrimination, gender-based violence,wage theft and barriers to effective remedy, all of which must be addressed through a comprehensive human rights due diligence framework.

Human rights and environmental due diligence (HREDD) is a process through which companies operationalize their respect for human rights and the environment. HREDD requires companies to identify, assess, prevent, mitigate, and remediate human rights and environmental damages throughout their value chain. Companies should also communicate, track, and monitor the impacts they have identified or are addressing. The international standard for mHREDD was set in 2011 through the adoption of the United Nations' *Guiding Principles on Business and Human Rights (UNBHR)* and the update, in 2011 and 2023, of the OECD's G*uidelines for Multinational Enterprises on Responsible Business Conduct*. A legislative framework that focuses solely on forced labour and child labour risks overlooking the systemic conditions that enable exploitation more broadly.

Recommendations:

1.1 Scope:

Question: What are your views on the proposed scope options?

- Option 1 provides the strongest foundation for a meaningful due diligence regime because it recognizes that forced labour and child labour cannot be effectively addressed in isolation from the broader conditions that enable labour exploitation, including discrimination, unsafe working conditions and restrictions on workers' ability to organize and collectively bargain. However, **the government should make a clear, time-bound commitment to expanding the due diligence regime to encompass all internationally recognized human rights,** consistent with the UN's *Guiding Principles on Business and Human Rights* and the OECD's *Guidelines for Multinational Enterprises on Responsible Business Conduct*.

Question: How can the Government support regulated parties in identifying and addressing adverse impacts of fundamental labour rights?

- Extensive resources, tools and guidelines already exist to support businesses which many businesses have already been utilizing to conduct human rights due diligence. While Oxfam Canada's priority remains in supporting rights-holders the government could support implementation through clear, practical and sector sensitive guidance, standardized tools and reporting frameworks, and publicly accessible information on country, sector and supply chain risks. These tools could reduce duplication and help businesses, particularly SMEs, to identify, prioritize, and address fundamental labour rights risks.

1.2 Coverage:

Question: What are your views on the proposed scope of application?

- The Government should establish a framework consistent with the OECD's *Guidelines for Multinationals on Responsible Business Conduct* and the UN's *Guiding Principles on Business and Human Rights*, clearly recognizing that **all companies, regardless of size, sector or locality of operations, have a responsibility** to respect human rights and be duly diligent.

Question: What are your views on the alternative options to reduce administrative and operational impacts on businesses?

- We do not support limiting due diligence to only the largest entities or broadly excluding sectors from coverage. Revenue and employee thresholds alone may leave significant human rights risks unaddressed, particularly in high-risk sectors and supply chains.

1.3 Due diligence and reporting obligations:

Question: What are your views on the proposed due diligence obligations?

- We support the proposed due diligence obligations as an important foundation for establishing corporate accountability for labour rights impacts. However, businesses should have a **publicly**

available policy commitment to respect human rights, supported by policies and processes aligned with the UN's *Guiding Principles of Business and Human Rights*, the ILO's T*ripartite Declaration and Principles concerning Multinational Enterprises and Social Policy*, and other relevant international standards.

- Businesses should be required to **identify, prevent, mitigate, cease where necessary, and remediate** adverse human rights impacts throughout their operations and supply chains, **whether they cause, contribute to, or are directly linked to those impacts through their business relationships**.
- The due diligence obligations should require **meaningful transparency and traceability** by the entities**.** Companies should **publicly disclose complete supply chain (upstream and downstream)** information including supplier names and locations, products sourced or manufactured, relevant workforce information, gender composition, and the presence of migrant and home-based workers, where applicable. This would enable workers, trade unions, civil society, regulators, and other stakeholders to identify and raise concerns about potential harms. Greater supply chain transparency would support early identification, prevention and remediation of forced labour and human rights risks, while reducing information gaps between business, workers, governments, regulators and civil society actors.
- The right to just and favourable remuneration sufficient to ensure a decent standard of living is recognized in the Universal Declaration of Human Rights under Article 23. **Businesses should therefore be required to work towards ensuring that workers throughout their supply chains receive a living wage to address underlying economic conditions that contribute to labour exploitation and forced labour conditions.** Companies should publicly commit to ensuring that workers in their supply chain receive a living wage, as defined by the ILO, sufficient to support a decent standard of living. Additionally, they should also adopt responsible purchasing practices that prevent business decisions such as unrealistic price negotiations, forecasting, delivery requirements, or last-minute changes from undermining wages and working conditions. Labour costs should be appropriately accounted for and protected in purchasing decisions and price negotiations.
- Accordingly, the due diligence regime should require companies to adopt **proactive gender equality and non-discrimination policies and integrate intersectional analysis into every stage of their due diligence process**. This includes identifying differential risks, consulting rights-holders meaningfully, and ensuring the remediation measures are responsive to their specific circumstances.

Question: What are your views on the alternative options presented? Are there any other flexibilities with respect to due diligence obligations or reporting obligations that you believe would lessen the operational or administrative impact?

- Due diligence should be an **ongoing and risk-based process rather than a one-time reporting exercise.** It should **prioritize action based on the severity and salience of forced labour and human rights risks.** A less frequent reporting requirement and/or capturing only upstream activities would risk undermining the effectiveness of the proposed regime by creating significant gaps in transparency and accountability, particularly where human rights risks and supply chain conditions can change rapidly.
- To lesson operational or administrative impact, due diligence should be integrated into broader enterprise risk management systems but must go beyond risks of the business itself and address actual and potential adverse impacts on people and the environment, consistent with the OECD's *Guidelines for Multinational Enterprises on Responsible Business Conduct*.

Question: What type of guidance would you like to see in this area?

- The Government should provide **clear, practical, and sector sensitive guidance on risk identification, prioritization, meaningful stakeholder engagement, remediation, supply chain disclosure, and the application of due diligence** to regulated entities. Guidance should be proportionate to the size and capacity of businesses and build on existing tools and expertise developed by civil society, trade unions and other relevant stakeholders.
- The government should **facilitate open data and supply chain mapping initiatives** that provide accessible information on country, sector, and supply chain risks. This would support more consistent risk assessments and particularly assist SMEs that may not have the resources to independently gather this information.
- To reduce unnecessary administrative burdens, the Government should consider standardized reporting requirements and tools, while ensuring that it does not weaken the substantive responsibility of businesses to identify and address human rights impacts.

Question: To what extent do you think Canadian businesses should be responsible for remediating adverse impacts?

- Canadian businesses should be responsible for remedying adverse impacts to the extent that they have caused or contributed to the harm, and cooperate and support remediation efforts where they are directly linked to an impact through a business relationship. Remediation should prioritize the interests and needs of affected rights holders rather than simply addressing corporate compliance.

Question: Should regulated parties be required to carry out meaningful engagement with stakeholders at every step of the due diligence process, similar to Article 13 of the European Union's Corporate Sustainability Due Diligence Directive?

- Meaningful engagement with rights-holders should be integrated throughout the due diligence process, **including risk identification, prevention and mitigation measures, monitoring and remediation**. Engagement should include workers, trade unions, affected communities, and relevant civil society organizations.
- Due diligence should also **require companies to assess and address gendered and intersectional human rights risks**. This should include consideration of the increased vulnerabilities experienced by women, migrant and home-based workers, Indigenous Peoples, persons with disabilities and other marginalized groups to ensure that prevention, mitigation and remediation measures respond to their specific circumstances.
- Article 13 of the European Union's Corporate Sustainability Due Diligence Directive was severely weakened in the final Omnibus proposal and therefore does not provide an appropriate benchmark for meaningful engagement with stakeholders.

1.4 Compliance and Enforcement

Question: What role should the government play to support entities in complying with potential due diligence obligations?

- Senior executives should have clear, mandated responsibility for oversight of the company's due diligence obligations. Human rights due diligence should be required to be embedded into - corporate governance and decision-making, rather than treated solely as compliance or reporting function. The regulated entity should be subject to appropriate legal liability where its executive staff make misrepresentations and/or submit false reports.

- The government should provide clear, practical guidance to support entities in understanding and implementing their due diligence obligations, including sector specific guidance, tools, and training. **This support should be particularly accessible to smaller entities (i.e. SMEs) that may have less experience with the due diligence process**. Government guidance should facilitate compliance but should not substitute for enforceable legal obligations. Regulated entities must remain responsible for determining and implementing the measures necessary to meet their duties under the due diligence regime.

Question: What kind of tools should the government (or competent authority) have at its disposal to ensure that regulated entities comply with their obligations under a due diligence regime?

- To ensure compliance and enforcement under the due diligence regime, people harmed by Canadian companies should have **access to courts as well as effective out-of-court mechanisms**. The government should **establish an independent Commissioner** for Human Rights Protection in Business with powers to investigate non-compliance, compel information, and impose fines. The Commissioner (competent authority) should have expertise, independence and resources to enforce the law that will allow people and communities harmed by Canadian company's operations overseas access to justice in Canadian courts. The CNCA's model legislation provides a strong framework of such an authority.
- Canada should **reinstate and strengthen the Office of the Canadian Ombudsperson for Responsible Enterprise (CORE)** as a complementary out-of-court mechanism, with meaningful powers to compel cooperation from companies and support affected communities in seeking remedy. After years of civil society advocacy, the CORE was established in 2016, but its limited investigative powers constrained its ability to address multiple forced labour complaints. Rather than strengthening the office, the government dismantled CORE in 2026, leaving cases unresolved.

  Canada should restore the CORE alongside an empowered Commissioner to ensure that affected communities have accessible accountability mechanisms and meaningful statutory enforcement.

Section 2: Civil liability

Recommendations:

Question: What are your views on enshrining a civil right of action in a due diligence supply chain regime?

- A civil right of action is essential to a credible due diligence regime. Without enforceable consequences, due diligence risks becoming a reporting exercise rather than a meaningful corporate obligation that provides access to remedy. People harmed by a Canadian company's operations abroad should be able to seek justice in Canadian courts. **The due diligence regime should provide a private right of action for affected people and their representatives, including where a company has failed to conduct adequate due diligence to address identified harms**.
- Civil liability is also a powerful preventive measure. The prospect of legal accountability incentivizes boards, management and investors to identify risks, engage with affected rights-holders and take effective action before harm occurs. The CNCA's model legislation provides a strong framework for establishing this right and ensuring Canadian companies can be held accountable at home for their impacts abroad.

Section 3: Ways to maximize effectiveness and ensure coherence with the forced labour import prohibition

Recommendations:

Question: In what ways could a potential due diligence regime and the forced labour import prohibition, including measures proposed in Bill C-35 (i.e. public list of goods at risk), potentially 'interact'?

- Canada should treat the forced labour import prohibition and the potential due diligence regime as complementary and mutually reinforcing measures. An import ban can prevent goods linked to forced labour from entering Canada and help companies identify where heightened due diligence is required. In turn, a mandatory due diligence regime would require companies to identify, prevent, mitigate, and remediate risks throughout their supply chain before harm occurs. Where there is reasonable evidence of forced labour, the relevant authorities should have the ability to prevent their import until the risk is adequately addressed.
- Importantly, due diligence should apply to **all human rights and environmental risks**, rather than focusing only on forced labour. Forced labour is often connected to wider labour and human rights abuses, including the exploitation of migrant workers through recruitment fees, contract substitution, wage withholding, document retention and restrictions on freedom of movement.

Question: What should be done to avoid any unintended consequences, if applicable, between the two legislative regimes?

- **An import ban should complement comprehensive due diligence laws**, strengthening Canada's overall commitment to address forced labour and labour exploitation in global supply chains. It should not become Canada's only response to prevent goods made with forced labour from entering the country as it allows companies to simply "cut and run" from suppliers or workers when abuse is identified. This can undermine worker-led efforts to secure remedy and may leave affected workers worse off while the underlying risks remain unaddressed.
- A mandatory human rights and environmental due diligence regime can help prevent this by requiring companies to engage with affected rights-holders. **Consequences for non-compliance and remediation for affected workers should be embedded in both legislative regimes** to drive corporate action and make genuine improvements in working conditions.

Key Reference Materials:

- From Rana Plaza to today: Why Canada must act on corporate accountability. Oxfam Canada and CNCA, April 2026
- Canada's new modern slavery reporting law: Increased transparency or mere window-dressing? Oxfam Canada, June 2024
- Oxfam Canada's recommendation to the Minister of Labour on Bill S-211. Oxfam Canada, November 2022
- Executive summary of the CNCA model law
- FAQs: Mandatory human rights and environmental due diligence legislation in Canada, CNCA
- Findings of UN Special Rapporteur on Contemporary forms of Slavery following 2023 country visit to Canada.