



Why does Canada need due diligence legislation?

Development and Peace — Caritas Canada, the international solidarity organization of the Catholic Church in Canada, was founded by the bishops in 1967. Our work is informed by direct, ongoing relationships with people in the Global South.

For many years, we have heard our partners tell us how their lives and communities are affected by the negligent and abusive behaviour of companies headquartered in Canada. This is particularly true for peasant and rural communities who see their land, water and air contaminated by industrial activities. These communities are standing up for their rights. Their courageous mobilization led to the adoption of the United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas (UNDROP). But for UNDROP to be successful, Canada needs to play its part.

That's why Development and Peace — Caritas Canada is joining others calling for **mandatory human rights and environmental due diligence (mHREDD)** legislation in Canada, which would *require* Canadian companies to act responsibly. Such legislation would also impose real, enforceable consequences and create avenues for justice for victims when companies fail to meet their obligations.

In a 2023 response to a petition campaign calling for mHREDD, the minister of labour clearly stated that the "Government of Canada is committed to upholding human rights as well as labour and environmental standards," and that the Minister "remains committed to introducing legislation to eradicate forced labour from Canadian supply

chains, while also ensuring that Canadian businesses operating abroad do not contribute to human rights abuses."¹ These commitments are reiterated in the Government's 2024 budget and the labour minister's mandate letter.²

We welcome the Government's commitments, but we are concerned that the Government has not understood what Canadians expect when they call for effective, mandatory due diligence.

Are we ready for Canada to be a real leader in international human rights, climate care, and responsible business conduct? Canadian companies have been expected to do the right thing without external requirements, and they often argue that they are doing so. But the lived experiences of Development and Peace — Caritas Canada's partners show that **existing and proposed measures are not effective in preventing Canadian companies from perpetuating human and environmental rights abuses around the world.** As citizens and residents of Canada, we don't want companies headquartered or financed in our country to fall short when it comes to protecting and celebrating life. We ask that you work with your colleagues to **pass effective mHREDD legislation that covers the full extent of corporate responsibility.**

¹ <https://www.ourcommons.ca/petitions/en/Petition/Details?Petition=441-01253>

² <https://budget.canada.ca/2024/report-rapport/chap7-en.html> and <https://www.pm.gc.ca/en/mandate-letters/2021/12/16/minister-labour-mandate-letter>

What would mandatory human rights and environmental due diligence (mHREDD) look like in Canada?

In brief, mHREDD would:

- require companies to prevent, report and remedy all violations of human and environmental rights throughout their global operations and supply chains
- establish a legal right for people who have been harmed to seek justice in Canadian courts.

MORE THAN FORCED LABOUR AND HUMAN TRAFFICKING

While the labour minister's response to the parliamentary petition for due diligence rightly calls attention to the importance of eradicating forced labour and human trafficking in the supply chains of Canadian companies, mHREDD is much more comprehensive. For example, the government's approach would not address the situation in San Juan, Argentina, where the Veladero mine, owned by the Canadian company Barrick Gold, has poured significant quantities of cyanide and mercury into nearby communities' water supply three times since 2015!³ With no forced labour or trafficking involved, such a serious environmental offense would continue to go ignored by Canadian authorities. A real due diligence law would compel companies like Barrick Gold to assess potential human rights and environmental impacts before opening a mine and to rigorously monitor its operation. Such a law would also make companies answerable and prosecutable in Canadian courts for any harms they cause to people and the planet anywhere along their global supply chains and operations. **Laws against forced labour and human trafficking must be part of, but cannot replace, due diligence legislation.**

WHAT ABOUT THE CANADIAN OMBUDSPERSON FOR RESPONSIBLE ENTERPRISE (CORE)?

Development and Peace — Caritas Canada campaigned for and welcomed the creation of the CORE in 2019, even sitting on its advisory board. However, we soon resigned from the board along with other civil society organizations to protest the CORE's lack of sufficient powers and independence. **Having completed only one case since its creation in 2019, the CORE in its present iteration has not been a very effective mechanism for corporate accountability, highlighting the need for stronger legislation to rein in Canadian companies.** Disappointment with the CORE has made Canadians vigilant about ensuring that corporate accountability is enacted earnestly. That is why we are deeply concerned by the Government of Canada's current approach to due diligence legislation.

WHAT ABOUT BILL S-211?

Bill S-211 does not compel Canadian companies to do their due diligence, nor does it grant a means of redress in the event of harm caused by those companies. **An effective mHREDD law would not simply require reporting on human rights abuses but would make human rights and environmental abuses illegal.** Bill S-211 also reduces due diligence to forced and child labour.

³ See this report from Iglesia y Minería, a network of churches calling for mining justice in Latin America: <https://divestinmining.org/wp-content/uploads/2022/01/informeveladero-EN.pdf>

For more information about our campaign for due diligence, visit **devp.org/act**.