

Canada's Environmental & Social Due Diligence Legislative Landscape

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INTRODUCTION

- Due to Canada's geographic orientation and climate, desired commodities such as coffee, palm oil and cocoa cannot be grown, thus Canada relies on imports. Canada and some Canadian companies linked to production of these commodities, have been associated with violations of human rights and environmental destruction.
- Years of inadequate voluntary due diligence and social corporate responsibility policies led to demands for enforced due diligence legislation in Canada and for Canadian companies acting abroad as vital and necessary to protect natural resources and the people who help to produce them.
- The purpose of this research was to analyze past, in progress and desired environmental & social due diligence legislation in Canada and for Canadian supply chains acting abroad.

METHODS

A literature review of passed, in progress and desired due diligence legislation within Canada and applicable to Canadian companies operating abroad using keywords.

Table 1 Initial Search Terms

Keywords
Due diligence
Accountability
Corporate Social Responsibility (CRS)
Transparency
Environment(al)
Zero deforestation
Human rights
Canada
Policy
*Canadian business
*Canadian business abroad
*Mandatory due diligence

Note. Keywords and phrases that are bolded signify that they were the most used in combinations with other words and those that have a "*" in front indicates that they are the new additions to the keyword list.

Stronger Environmental & Social Due Diligence legislation is needed for Canadian Companies acting abroad.

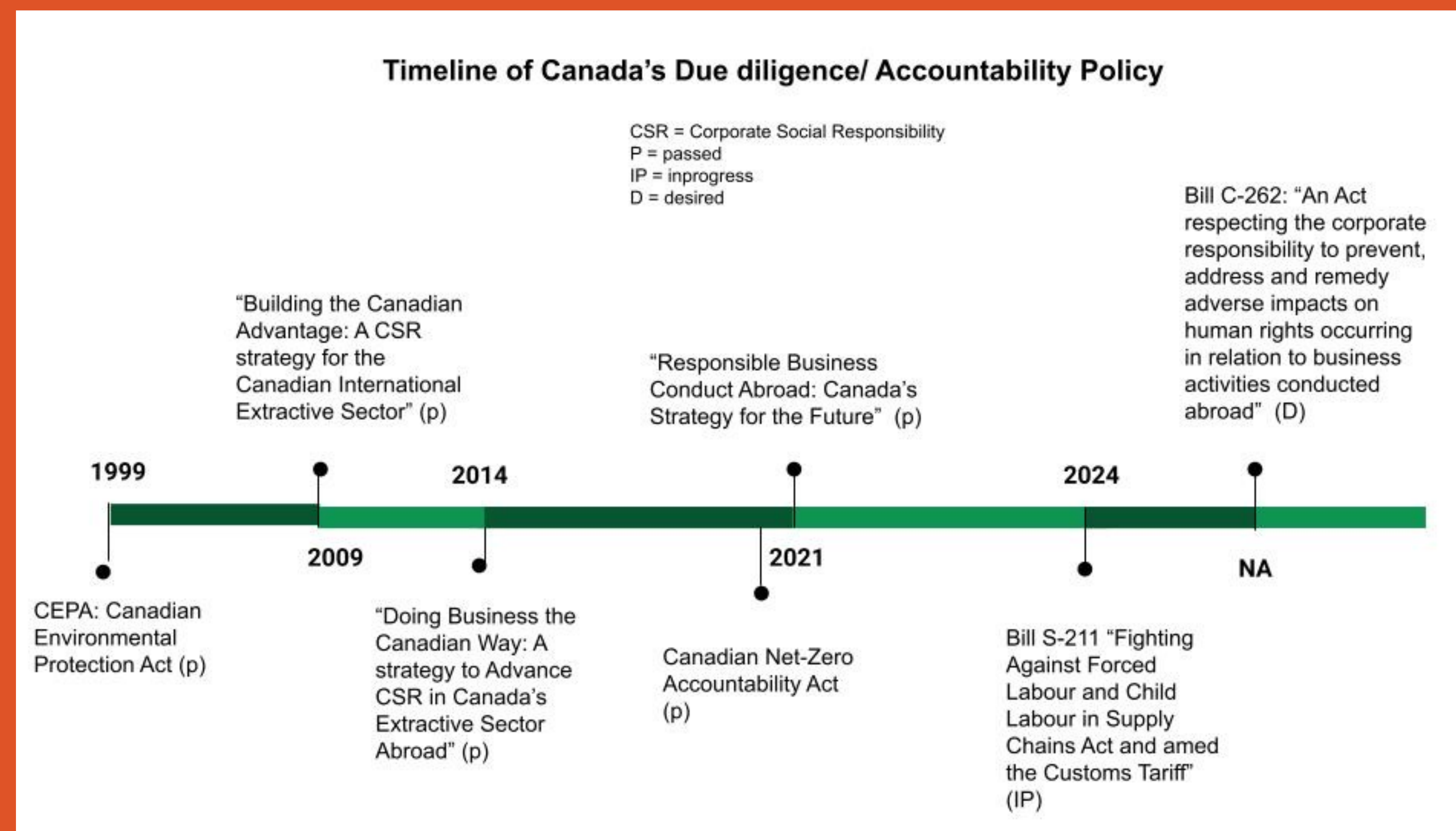


Figure 1: Timeline of Canada's Due diligence landscape as of November 8, 2023, and where the policy is at.

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RESULTS

Canada's voluntary due diligence reporting methods have proved ineffective

Passed: Bills that received Royal Assent and national strategies

- National Strategies

In progress legislation are bills that have been heard by parliament and been suggested as the next step or opportunities for due diligence legislation.

- **Bill S-211** "Fighting Against Forced Labour and Child Labour in Supply Chains Act and amend the Customs Tariff"

Desired legislation refers to the type of legislation that stakeholder groups are proposing and pushing the Canadian government to seriously consider

- **Private Members Bill C-262**, "An Act respecting the corporate responsibility to prevent, address and remedy adverse impacts on human rights occurring in relation to business activities conducted abroad".
- **CNCA Model Legislation**

DISCUSSION

- Canada has implemented many voluntary reporting strategies and guidelines but as the environment and people continue to be exploited and violated due to Canadian supply chains, it is apparent that voluntary reporting measures lead to insignificant change and lack accountability.
- CNCA's model legislation requires Canadian Companies to respect human rights and the environment overseas
- CNCA model law articulates that victims of environmental and/or human rights harm would have the right to file a civil lawsuit against a Canadian company in Canadian court as well as seek the same remedy if Canadian companies acting abroad failed to adequately develop, adopt or implement due diligence procedures

