

Canada: New Import Measures

Canada announces new measures to prevent import of products from the Xinjiang region over risk of forced labor



In coordinating with the UK and other international partners, Canada is taking steps to both address the risk of goods produced with forced labor by any country entering Canadian and global supply chains and to protect Canadian businesses from becoming unwitting accomplices. Canadian approach includes the following seven measures:

- A ban on imports of goods produced in whole or in part by forced labor;
- A Declaration of Xinjiang Integrity for Canadian companies;
- A Business Advisory on Xinjiang-related entities;
- Increased advice to Canadian businesses;
- Export controls;
- Increased awareness of responsible business conduct related to Xinjiang;
- and a study on forced labor and supply chain risks.

Canadian companies that

1) directly or indirectly source from Xinjiang or entities that rely on Uyghur labor,

2) are established in Xinjiang, or

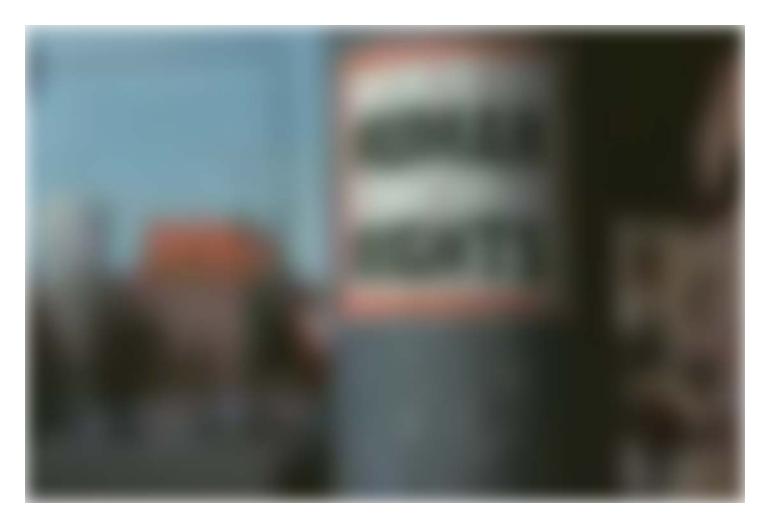
3) seek to engage in the Xinjiang market, will be obliged to sign a declaration when engaging with the Trade Commissioner Service, as well as receive a briefing on the risks of doing business in this market.

The statement acknowledges that the company: is aware of the human rights situation in Xinjiang; complies with all relevant Canadian and international laws; respects human rights; and seeks to meet or exceed the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Companies are also required to state that they do not knowingly source products or services from a supplier involved in forced labor or other human rights abuses and undertake to conduct due diligence on their suppliers in China to ensure there are no such links. Failure to cooperate in good faith could result in the withdrawal of trade support and future financial support from Export Development Canada.



Global Affairs Canada issued a trade advisory to warn Canadian businesses about the risks of supply chain exposure to entities that engage in human rights abuses, including forced labor in Xinjiang and involving Uighur ethnic minorities, with the objective of helping Canadian businesses understand the legal and reputational risks posed to companies whose supply chains rely on doing business with entities possibly involved in forced labor. While such risks are not limited to Xinjiang or China, the Canadian government believes the risks are higher in Xinjiang, given the conclusive evidence of human rights abuses.



Source: <u>Canadian Senate</u> ; <u>Global Affairs Canada</u>