SOLAR STEWARDSHIP INITIATIVE

August 2026

Consultation on potential due diligence measures to fight labour exploitation in supply chains

Solar Stewardship Initiative Response

Introduction

Canada's proposal to introduce due diligence measures alongside Bill C-35 is an important part of mitigating harms in supply chains. By establishing forced labour due diligence measures to help companies operating in Canada from importing goods tainted by forced labour, aligning with approaches taken by key global partners, a more consistent framework would be established for increasing responsible supply chains. This is particularly important in sectors such as solar, where rapid growth to support the energy transition must be matched by credible due diligence, greater transparency, and practical tools that help companies understand and address risks throughout complex upstream supply chains. The Solar Stewardship Initiative (SSI) fully supports forced labour due diligence measures in Canada, alongside Bill C-35, and strongly believes that well-designed requirements are essential to driving meaningful change in supply chains.

Through Multi-Stakeholder Initiatives (MSIs) – like the SSI – and their certifications, based on third-party independent audits, businesses can make more informed risk assessments about potential adverse impacts in their supply chain, and accordingly develop prevention measures and/or corrective action plans. While MSI membership and/or certification should not create a presumption of absence of adverse impacts in the supply chain, they can provide independently verified and standardised information and encourage shifts in company behaviour. As recognised under the EU's Corporate Sustainability Due Diligence Directive (CSDDD), participation in MSIs further helps to reduce the burden on companies by offering grievance/complaints and appeals mechanisms. The EU's recently published Implementation Guidance for the EU Forced Labour Regulation also recognises the role of independent third-party audits, MSIs, and their certifications.

About the SSI

The Solar Stewardship Initiative (SSI) is a global, multi-stakeholder assurance scheme established to strengthen responsible, transparent, and sustainable solar value chains. Bringing together manufacturers, buyers, civil society, finance, human rights experts and other stakeholders, the SSI provides a practical framework for companies to assess and improve environmental, social, governance, and traceability performance across solar PV manufacturing. Its role is to support credible due diligence in a fast-growing sector by combining sector-specific standards, independent third-party assessment, public certification, and continuous improvement mechanisms.
By offering certification against its two standards on **ESG and Supply Chain Traceability** the SSI actively supports companies performing due diligence on their supply chains by providing technically-tailored, standardised, and independently verified information about their suppliers.

The **SSI ESG Standard** is designed around 96 criteria, structured across three core dimensions: 23 criteria for Governance and Business Ethics, 21 criteria for Environmental performance, and 52 criteria for Human and Labour Rights. It is used to evaluate the ESG performance, including due diligence on responsible sourcing, at a **manufacturing site.**

The **SSI Supply Chain Traceability (SCT) Standard** is designed to establish requirements for a **manufacturing site** to trace the materials it sources, from raw quartz mining, through to modules. It is structured around a set of defined criteria focused on supply chain transparency, chain of custody, and responsible sourcing practices, and is used to evaluate the robustness and integrity of traceability systems at the site level, ensuring that materials can be reliably linked to verified sources and production processes.

The SSI assurance scheme is based on **on-site, independent third-party assessments**. These are more robust and credible than voluntary disclosures and self-assessments because they assess compliance to standard requirements in an impartial manner.

Qualified and impartial assessors review policies, procedures and practices at a specific manufacturing site to determine if the SSI Standards are implemented and effective. **Unsupervised interviews with external stakeholders and workers** also take place and any information received is cross-checked to support assessment conclusions and obtain an accurate picture of the site's practices at the time of the assessment.

The SSI was created in response to growing demands for greater transparency, accountability, and robust human rights due diligence in solar PV supply chains, including in upstream manufacturing. As the solar sector scales rapidly to support the energy transition, this growth must be underpinned by strong ESG standards and credible supply chain traceability to ensure that decarbonisation does not lead to adverse impacts along supply chains.

Active SSI Site Certifications (As of 31 July 2026)

	Step in the polysilicon solar module supply chain						
Standard	Module	Cell	Wafer	Ingot	Polysilicon	Metallurgical Grade Silicon	Quartz (Mine)
ESG	12	1		1	1		
SCT	9	1		1	1		

→ Total number of active certifications: 27
→ Total number of sites certified: 16
→ Total number of double-certified sites: 11

The SSI is currently updating its estimation of certified capacities. As of the end of 2025, we can say that the SSI had ESG-certified 110 GW of module capacity, 22 GW of cell capacity, and 11 GW of wafer/ingot capacity.

It is important to note that the first ESG certifications were issued in late 2025, and the first SCT certifications were issued in recent months of 2026. Reflecting the urgency of the energy transition, the SSI system is working quickly to independently verify ESG and traceability system performance at solar manufacturing sites.

Key questions for input

Scope

Why this matters
The scope will determine which labour rights risks regulated parties would be required to identify and address. Establishing an appropriate scope is important to ensure the regime effectively addresses labour exploitation while providing businesses with clear and proportionate expectations regarding their due diligence responsibilities.

Option 1: Regulated parties would be obligated to undertake due diligence in regard to actual and potential adverse impacts on fundamental labour rights, as identified in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. These are:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour;
- the elimination of discrimination in respect of employment and occupation; and
- a safe and healthy working environment.

Rationale: This would cover the spectrum of fundamental labour rights and be in line with existing binding international labour obligations. It would demonstrate a stronger commitment to tackling all forms of labour exploitation in supply chains more broadly and not just focus on the most egregious forms of labour exploitation, that being forced and child labour. Fundamental principles and rights at work (FPRW) are universal human rights and immutable in nature. They are inseparable, interrelated and mutually reinforcing. While the scope would not cover human rights more broadly as defined in international human rights instruments, its focus on the FPRW would directly address the scourge of labour exploitation.

Alternative option:

- Option 2: Limit the scope of due diligence obligations to forced labour and child labour, thereby focusing on the most egregious labour rights violations.

Questions

- What are your views on the proposed scope options?

  → The SSI supports **Option 1**. Due diligence obligations should cover the full range of fundamental principles and rights at work, rather than being limited to forced and child labour.

  → Forced labour rarely appears in isolation. Restrictions on freedom of association, discrimination in employment, and unsafe working conditions are frequently the conditions in which forced labour becomes possible, and can also as indicators during assessment. A scope limited to the most egregious violations risks missing the circumstances that give rise to them.

  → This reflects how the SSI's own Standards are structured. The SSI ESG Standard contains 52 criteria addressing human and labour rights, covering the full spectrum of fundamental rights at work rather than forced labour alone.

  → A broader scope also aligns Canada more closely with international instruments and with partner jurisdictions such as the EU, which reduces duplication for companies operating across several markets.

  → Option 2 would be workable but narrower than the SSI would recommend. Should Canada adopt it, we would encourage the framework to be drafted so that scope can be extended without reopening the legislation.

- How can the Government support regulated parties in identifying and addressing adverse impacts to fundamental labour rights?

  → **Guidance published in advance of application,** sufficiently ahead of obligations taking effect to allow contracting cycles and supplier engagement to adjust.

  → **Sector-specific guidance,** developed with sectoral bodies and multi-stakeholder initiatives. Risks differ considerably across sectors, and in solar they can be harder to identify due to the complexity of supply chains. The SSI would welcome the opportunity to contribute solar-specific input.

  → **A practical self-assessment tool** allowing companies to assess whether their internal due diligence systems align with the requirements. Inspiration can be drawn from the UK Modern Slavery Assessment Tool (MSAT), designed to help organisations work in partnership with suppliers to reduce the risk of exploitation of workers in their supply chains.

  → **Training and capacity building** on supply chain mapping and traceability documentation for upstream tiers, on labour rights risk indicators such as recruitment fees, migrant worker risks, excessive overtime and subcontracting, and on remediation practices aligned with the OECD Guidelines on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.

  → **Published fitness criteria** (see Annex 1 for SSI suggestions) against which multi-stakeholder initiatives and third-party verifiers can be assessed. Rather than endorsing organisations, the government should set out transparent criteria that allow companies to judge whether a scheme is fit for purpose. This is the approach taken under the EU's CSDDD.

  → **Recognition of credible third-party assurance** as a means of gathering information, particularly for smaller companies and for upstream tiers where direct audit is not practicable.

<u>**Coverage**</u>

Why this matters

The coverage will determine which organizations are subject to due diligence obligations. Setting appropriate thresholds and applicability criteria is important to ensure the regime targets organizations with the capacity and influence to drive meaningful change, while balancing impacts on smaller businesses and maintaining a level playing field among regulated entities.

Option 1: The due diligence approach would apply to all forms of businesses that have operations abroad and that are (1) incorporated in Canada, headquartered in Canada or have their principal place of business in Canada and (2) that have a minimum of $40M in annual worldwide revenue or an average of at least 250 employees worldwide. The regime would also apply to federal government departments and crown corporations.

Rationale: This proposed approach captures the higher end of medium-sized and large enterprises (similar to the Supply Chains Act) and federal government departments and crown corporations, holding the government to the same or similar standard as the private sector. Capturing foreign businesses that conduct business within Canada would align with the approach undertaken across several other supply chain legislation regimes. Capturing businesses according to their employee count and revenue thresholds is also common practice.

Alternative options:

- Option 2: Due diligence obligations would only apply to large entities (e.g., 500+ /1000+ employees and more than $40M/80M/100M/120M/160M in annual worldwide revenue) and transparency obligations (similar to the current reporting obligations under the Supply Chains Act) would apply to entities that have a minimum of $40M in annual worldwide revenue or an average of at least 250 employees worldwide (matching the existing Supply Chains Act threshold).
- Option 3: A regulation making authority would allow for flexibility to include or exclude certain types of businesses (i.e., exclude certain types of industries which may not be relevant to cover and/or extend application to businesses operating in "high-risk" sectors that are not meeting the revenue and/or employee thresholds).

Questions

- What are your views on the proposed scope of application?

    → The SSI supports **Option 1** as the base position. Due diligence obligations should apply broadly; proportionality may be reflected in what is expected of different companies rather than in who is covered.

    → Setting thresholds too high risks excluding a significant share of the companies whose sourcing decisions shape conditions upstream. It can also create incentives to route higher-risk goods through entities below the threshold.

    → What matters more than the precise threshold is that smaller regulated parties are given longer to comply and are properly supported. Expectations should be calibrated to a company's size, resources, position in the supply chain and leverage to prevent or address impacts.

    → Extending obligations to federal departments and crown corporations is welcome. Public procurement is a substantial source of leverage, particularly in sectors procured at scale.

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

    → The SSI would not favour Option 2, which limits substantive due diligence to the largest entities and leaves others with transparency obligations only. Reporting alone does not require companies to identify, prevent or address impacts, and the gap between disclosure regimes and due diligence regimes is precisely what this consultation is seeking to close.
    → Option 3 may act as a complement rather than a substitute. A regulation-making power, with a transparent and consistent methodology, could allow coverage to extend to high-risk sectors below the thresholds would improve the regime's ability to reach where risks actually sit.
    → The most effective way to reduce burden is not to narrow coverage but to reduce duplication. Harmonised reporting templates, alignment with partner jurisdictions, and recognition of credible third-party assurance and multi-stakeholder initiatives would remove a substantial share of the cost without weakening the obligations.

→ Staggered implementation by entity size is a better route to proportionality than exemption.

- What are your views on the types of businesses that could be included or excluded under Option 3? What factors should be used to determine if a business should be covered?

    - The SSI would encourage the power to be used primarily to extend coverage rather than to grant exclusions.
    - Factors relevant to inclusion:
        - Sector and commodity risk, drawing on international sources and the evidence base being developed for the forced labour import prohibition.
        - Geographic exposure, including sourcing from regions where independent verification is not possible.
        - Supply chain complexity and depth, given that in multi-tier chains the risks typically sit several tiers above direct suppliers.
        - Position and leverage, meaning the company's ability to effect change in the practices of others in its supply chain.
    - Additional inclusions or exclusions should be evidence-based, published with reasons, and subject to periodic review, so that the list does not become fixed as risk profiles change.

- Does the framework need to be prescriptive about how a regulated entity should account for its worldwide revenue or count the number of employees it has? What are the challenges, if any?

    → Yes. Clear and prescriptive definitions reduce uncertainty for companies and reduce inconsistency in enforcement. Where thresholds determine coverage, ambiguity in how they are calculated tends to be resolved in favour of non-coverage.

    → Points worth addressing in guidance:
    - Whether revenue is calculated at group or entity level, and how corporate groups and joint ventures are treated.
    - Which reference period applies, and how entities crossing a threshold in a single year are treated.
    - How contracted, agency and seasonal workers are counted, which matters particularly in sectors relying on intermediated labour.
    - Currency conversion and the treatment of foreign-incorporated entities operating in Canada.

    → Aligning these definitions with those that apply to other relevant Canadian legislation, and as far as possible with partner jurisdictions, would avoid companies maintaining parallel/differing calculations for different regimes.

<u>**Due diligence and reporting obligations**</u>

Why this matters
Due diligence obligations establish the actions regulated parties must take to identify, prevent, mitigate, and address labour rights risks. The design of these obligations will influence both the effectiveness of the regime in protecting workers and the extent of the administrative burden placed on businesses and government institutions.

Option 1: A regulated party would be required to:
- Embed due diligence in its policies and practices.
- Identify and assess any adverse impacts in its operations abroad and its international supply chains (all upstream activities and certain downstream activities) (applies to "entities" only)
- Identify and assess any adverse impacts in the international supply chains of any products and services that they procure (applies to federal government and crown corporations)
- Prioritize adverse impacts according to their level of severity;
- Address (cease, mitigate or prevent) adverse impacts according to and in proportion to the regulated party's level of involvement (whether it has caused or contributed to the adverse impact or is connected to the adverse impact through its business relationships);
- Take measures, tailored to the circumstances, to remediate the damages caused by any actual impacts to which the entity has caused or is contributing;
- Monitor, assess and improve the effectiveness of the measures taken to address and remediate adverse impacts.

- Establish a communication process that enables any person or organization to submit information about a suspected adverse impact in the regulated party's operations abroad or international supply chains and consider this information when identifying and assessing adverse impacts.
- Submit an annual report to the competent authority containing information on its due diligence obligations, organizational structure and any other prescribed information. This report must be made available to the public.

Rationale: These due diligence obligations are in line with international guidelines, including the United Nations Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines for MNEs). The obligations are also similar to obligations in other due diligence regimes, particularly the EU's Corporate Sustainability Due Diligence Directive (CSDDD).
Alternative options:

- Option 2: While regulated parties would be required to submit a report on the fulfilment of their due diligence obligations, they would only be required to do so on the first year of becoming subject to the legislation and every second year thereafter.
- Option 3: Regulated parties would be required to conduct due diligence in their operations abroad (only applicable to entities) and their international supply chains, capturing only upstream activities.

Questions

- What are your views on the proposed due diligence obligations?

The SSI broadly supports **Option 1**. The obligations set out are consistent with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights, and similar to the obligations set out in the EU's CSDDD. Option 2 and/or 3 may be considered for regulated parties eligible for phased in or a reduced burden approach (for example SMEs).

1. Obligation to identify, address (prevent, mitigate or cease) and remediate adverse labour rights impacts based on level of involvement in causing, contributing to or being directly linked to potential or actual adverse impacts.

Calibrating action to whether a company has caused, contributed to, or is directly linked to an impact is the right approach, and reflects established international practice. Where a company is directly linked, the expectation should be that it uses and seeks to build leverage, including through collective mechanisms, rather than that it has no responsibility.

2. Obligation to conduct due diligence in upstream activities and certain downstream business relationships.

In solar PV, the material risks often sit upstream, several tiers above direct suppliers. Upstream coverage is therefore essential and should not be narrowed.

3. Prioritization exercise based on level of severity.

Prioritisation by severity is a practical necessity where impacts cannot all be addressed at once. It should be understood as a means of focusing effort, not as relativising harm.

4. Obligation to establish a communication process (that enables any person or organization to submit information about a suspected adverse impact).

This is a valuable obligation. Companies should be permitted to meet it through collaborative mechanisms operated by multi-stakeholder initiatives, which reduces burden while maintaining accessibility. The SSI operates a Complaints and Appeals Mechanism open to any stakeholder.

5. Obligation to monitor, assess and improve the effectiveness of the measures to identify and address adverse impacts.
    - → Assurance should reflect current rather than historic conditions. Independent third-party assessment, periodically repeated, is a more reliable basis for monitoring than supplier self-declaration.
    - → Assurance systems and Multi-Stakeholder Initiatives can support parties through corrective action plans, and verify their implementation.

- 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?

  → Option 2 and/or 3 may be considered for regulated parties eligible for phased in or a reduced burden approach (for example SMEs).
  → Flexibilities the SSI would support:
    - Recognition of credible third-party assurance and multi-stakeholder initiatives as a means of gathering information and exercising leverage, without exonerating companies from their obligations.
    - Harmonised reporting templates aligned as far as possible with partner jurisdictions and with relevant existing Canadian legislation.
    - Longer transition periods for smaller regulated parties, allowing capacity to be built rather than compliance simply asserted.

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

  → **Practical guidance on identifying and assessing impacts,** including risk factors by sector, commodity and geography, and the sources companies are expected to draw on.

  → **Guidance on what constitutes appropriate measures at each tier,** particularly where a company has no contractual relationship with the entity concerned. This is where companies most often lack clarity.

  → **Guidance on leverage and on responsible disengagement,** including what is expected where leverage has been exercised without effect. Disengagement should be a last resort, and guidance should set out how to disengage responsibly so that the consequences do not fall on workers.

  → **Fitness criteria for multi-stakeholder initiatives and third-party verifiers** (see Annex 1), with a methodology allowing companies to assess whether a given scheme is appropriate for their circumstances.

  → **Guidance on what constitutes effective and inclusive stakeholder engagement.**

  → **Sector-specific guidance and FAQs,** reflecting that risks and supply chain structures differ substantially between sectors.

  → **Model contractual clauses,** drafted to allocate responsibility clearly rather than transferring obligations wholesale to suppliers. Contractual assurances should be accompanied by measures to verify compliance and should not be treated as sufficient on their own.

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

  → Responsibility for remediation should be proportionate to the company's involvement in the impact, consistent with the OECD Guidelines and the UN Guiding Principles.

  → Companies that have caused or contributed to an impact should provide or cooperate in its remediation.

  → Companies directly linked to an impact through a business relationship should use their leverage to encourage the party responsible to remediate, and should cooperate in remediation processes. Collective mechanisms are an effective route where individual leverage is limited.

- 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?

→ Requiring engagement at every step is appropriate in principle, though guidance should recognise that the form and depth of engagement will vary by step and by the company's size and circumstances.

→ Companies should be able to draw on multi-stakeholder initiatives to support engagement, particularly upstream where individual companies have limited access. Independent third-party assessment offers structured and verifiable engagement with on-site stakeholders. SSI assessments require unsupervised worker interviews conducted on site, representative of shift patterns, worker types and gender, including direct employees and contracted workers, with management not present and findings discussed with management only in general terms.

→ Participation in such initiatives should not, however, be sufficient to discharge a company's obligation to consult its own workers and their representatives.

Compliance and enforcement

Why this matters
Effective compliance and enforcement mechanisms help ensure that due diligence obligations lead to meaningful action rather than simply becoming administrative requirements. The enforcement framework must provide appropriate incentives for compliance, support consistent application of the law, and maintain public confidence that labour exploitation risks are being addressed.

Option 1: A competent authority would be responsible for the administration and enforcement of the due diligence obligations. This authority could be held within a federal department and would have the power to issue orders, and administrative monetary penalties (AMP) with revenues earmarked for grant-based activities to assist victims of labour exploitation, publish the names of regulated parties that are deemed to have committed a violation, assess complaints and conduct inspections.
The competent authority would be required to:

- provide guidance to regulated parties;
- review annual reports;
- publish and maintain a registry of the annual reports;
- report annually to parliament on the administration and enforcement of the regime.

Rationale: This approach is in line with compliance and enforcement mechanisms in other jurisdictions and ensures that there are meaningful consequences for regulated parties that fail to comply with their due diligence obligations. The issuance of orders provides the enforcement authority with a powerful tool to ensure compliance, rectify violations, and protect the interests of affected parties. Granting the enforcement authority the power to conduct inspections is also an important way of verifying entities' compliance with due diligence obligations. Administrative monetary penalties may serve as an added enforcement measure to ensure compliance and can very well be flexible in nature and tailored to a number of components of an entity that is subject to an AMP: size, type of non-compliance, whether it is a first finding of non-compliance or a repeated instance, and more. The "name and shame" approach of publishing the names of regulated parties that are deemed to have committed a violation serves to further incentivize compliance.

Alternative option:

- Option 2: Implementation would be staggered according to entity size. The regime would apply to larger entities first to allow smaller entities to adapt their procedures before reports are due under the new framework.

Questions

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

  → **Guidance, tools and templates,** published in advance of obligations taking effect, as set out under scope and due diligence obligations above.

→ **A dedicated contact point,** particularly for smaller regulated parties, able to answer practical questions on the application of the regime.

→ **Published fitness criteria** for multi-stakeholder initiatives and third-party verifiers, so that companies can identify credible assurance rather than assessing schemes subjectively.

→ **Coordination across regimes,** so that regulated parties are not asked for the same information in different forms under the due diligence regime and other relevant Canadian legislation.

→ **Support for capacity building in supply chains,** including diplomatic and trade channels that assist companies in raising awareness and building capacity among suppliers in third countries.

→ **Support for civil society participation.** Civil society actors face increasing resource pressure and budget constraints, which limits their capacity to engage in structured processes of this kind.

- ~~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?~~

- Should the competent authority be required to receive and investigate complaints of non-compliance under a due diligence regime? If so, who should be allowed to make a complaint?

→ Yes. A complaints route is an essential source of information for any authority, and much of the information that identifies labour rights risks originates outside the regulated entity.

→ **Who should be able to complain:** Affected workers and their representatives, trade unions, civil society organisations, and any person with relevant knowledge of the supply chain. Complaints should be possible directly, through an intermediary such as a legal adviser or association, or anonymously.

→ The authority should acknowledge receipt, assess complaints diligently and impartially, be able to seek clarification from the complainant, and communicate the outcome within a reasonable time frame.

→ Credible information should be treated as a trigger for further inquiry, with findings based on cumulative, triangulated evidence rather than single-source allegations.

Civil liability

N/A for the SSI.

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

Why this matters
Due diligence requirements and import prohibition measures are intended to work together to reduce labour exploitation in global supply chains. The Government is seeking views on how these regimes could best complement one another, reduce duplication, provide greater certainty for businesses, improve enforcement outcomes, and strengthen Canada's overall efforts to combat labour exploitation in global supply chains.

Supply chain legislation and import prohibitions are distinct but complementary measures, that form part of a "smart mix" of measures to address forced labour in global supply chains. Canada is the only country in the world to have both transparency-based supply chain legislation (Supply Chains Act) and a forced labour import prohibition.

On June 12, 2026, Bill C-35 *An Act respecting the prohibition of the importation of goods produced by forced labour* was tabled in Parliament. The Bill introduces new import prohibition measures to provide clarity and predictability for Canadian businesses and enhance the Canada Border Service Agency's (CBSA) enforcement powers.

The bill provides that goods produced by forced labour are prohibited from importation. It authorizes the Minister of Foreign Affairs to establish a list of goods in respect of which there are reasonable grounds to suspect that they are produced by forced labour. It allows several Ministers, including the Minister of Labour (now titled Minister of Jobs and Families), and other prescribed persons to assist the Minister of Foreign Affairs in establishing the list. It provides that a person importing goods on the list must, at the request of a customs officer, provide the CBSA with the required information (to be prescribed in regulations), failing which, the goods are deemed to be prohibited from importation.

The two proposed regimes (due diligence supply chain measures and Bill C-35) should complement each other to maximize efficiency in eradicating forced labour in Canadian supply chains. As no jurisdiction has both a due diligence regime and a forced labour import prohibition in place, coordination and possible interactions between these two regimes need to be carefully considered. For example, a benefit of undertaking the actions prescribed in a potential due diligence regime is that it would assist regulated entities in ensuring they do not run afoul of the forced labour import prohibition. Other ways in which these regimes could interact is through powers to exchange information between the various competent authorities to further target high-risk areas or products, and allowing the relevant authorities to consider annual reports on due diligence when assessing whether certain goods are at-risk of being produced with forced labour.

Questions

- 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'?

  → The two regimes are complementary. The import prohibition addresses goods at the border; due diligence obligations create the ongoing corporate duty to identify and address risks that drives change upstream.

  → **Due diligence records as evidence.** Documentation generated under a due diligence regime, including supply chain mapping, traceability records, third-party audit reports and corrective action plans, is precisely the evidence importers are likely to be asked for when goods are listed. Companies conducting genuine due diligence should find themselves substantially better placed to respond to a request for information, and authorities should be able to draw on that documentation when assessing whether goods were produced with forced labour.

  → **Annual reports informing listing decisions.** Reports submitted under a due diligence regime, alongside other sources, could help authorities identify sectors, commodities and supply chain stages warranting attention.

  → **Information exchange between authorities,** so that findings under one regime inform prioritisation under the other.

  → **Shared definitions and evidentiary expectations.** The two regimes should use the same definitions of forced labour, the same risk indicators, and as far as possible the same documentary expectations, so that companies build one system rather than two.

  → The SSI's position remains that due diligence, certification or participation in an assurance scheme should not create a presumption of the absence of forced labour. It should, however, be recognised as relevant and reliable evidence in assessment.

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

  → **Avoid duplicative information requests.** A once-only principle should apply, so that information already provided under one regime is not requested again under the other. Documentary expectations should be harmonised.

  → **Guard against disengagement as the default response.** The most significant risk is that companies respond to enforcement pressure by cutting suppliers rather than engaging with them. This shifts risk out of view rather than improving conditions, and the consequences can fall on the workers the measures are intended to protect. Guidance under both regimes should be consistent in treating disengagement as a last resort, to be conducted responsibly where it becomes necessary.

→ **Guard against supply-chain bifurcation.** Experience with the implementation of the U.S. Uyghur Forced Labor Prevention Act has shown that unilateral regulatory approaches can contribute to the emergence of parallel supply chains, reducing transparency and fragmenting traceability systems. Alignment with partner jurisdictions, and recognition of initiatives applying common requirements globally rather than by destination market, help counteract this.

→ **Avoid rewarding documentation over practice.** Both regimes should be designed and enforced so that the emphasis falls on demonstrable improvement in conditions rather than on the volume of paperwork produced.

→ **Sequence implementation coherently,** so that companies are not asked to meet due diligence obligations and respond to listing-related information requests within overlapping timeframes without the guidance for either being available.

Annex – Setting Fitness Criteria for Multi-Stakeholder Initiatives

Robust and well-designed Multi-stakeholder Initiatives can play a key role in the implementation of supply chain sustainability legislation. MSIs do not replace legislation, nor do they exempt companies from their legal obligations, however they do provide independent, standardised, and tangible tools to support compliance.

In order to be deemed fit-for-purpose, based on the SSI experience of rapidly rolling out a robust system, MSIs should be designed with certain characteristics in mind:

1. Multi-stakeholder governance

Governing Boards of MSIs should meaningfully include **non-industry voices** and reach decision via equally weighted voting powers between industry and non-industry stakeholders. This supports the integrity and independence of the system and prevents the case of industry 'marking its own homework.' The Board should have final authorisation and oversight over Standard design, membership, certification, and work plans.

Multi-stakeholder governance should be reflected throughout the MSI's work i.e. ensuring there are structures in place to ensure the voices of both industry and non-industry are properly reflected in discussions and decisions. For example, the SSI has a Stakeholder Advisory Group for non-Industry stakeholders to provide feedback on the work of the Initiative and advise the Board. Industry and non-Industry members are also part of working groups on specific areas, such as developing or revising new Standards or commitments. All non-industry stakeholders should be independent of industry.

Since May 2025, the SSI Board features 12 voting seats, with 6 for non-industry members. These seats currently include representation from human rights experts, climate NGOs, and the international finance community.

2. Membership

MSIs should conduct preliminary due diligence on prospective members to assess whether they are seeking to join Initiatives in good faith, and with real commitments to implement Standards at their manufacturing sites and in their supply chains. This procedure should be standardised and the methodology publicly available.

Preliminary due diligence procedures should ensure that entities who are committed to change can access the support of MSIs to do so.

MSIs may introduce pre-membership categories to provide pathways to organisations who are not yet ready to be labelled as members, so they can access support mechanisms to improve their practices.

For example, the SSI publishes its Pre-membership Due Diligence Procedure and Policy of Disassociation on its website. The SSI is also introducing a candidate pathway to membership to offer more formalised support to organisations that are not yet ready to be full members.

MSIs should have a clear policy of disassociation in the case a member is asked to leave the Initiative due to disengagement with the process or other breaches of Initiative rules. Membership admission should be decided by a Multi-stakeholder Board, as is the case with the SSI.

MSI Membership for suppliers/manufacturers should be conditional on the delivery of concrete commitments to improve ESG and traceability performance in their operations. For example, the SSI requires its members to submit two sites for assessment against both SSI Standards within 12 months of joining. Members must continually submit new sites for assessment and take up Standards across their operations.

MSI Membership for those procuring or manufacturing should also be based on their commitment to continually promote ESG and Traceability standards with their suppliers and in their supply chains. While this can be harder to quantify, the SSI requires its buyer members to sign the same SSI Principles as manufacturer members upon joining. This means that both buyers and manufacturers should encourage their suppliers and upstream partners to meet SSI Standards in their operations.

3. Standards

MSIs should be based around ESG and/or Supply Chain Traceability Standards which are developed through a best-practice process; **ISEAL** or equivalent. This means that Standards are subject to multi-stakeholder consultation and piloted in the real world before being used to conduct assessment and issue certifications. The conclusions of consultations and pilots, and where the Standards have subsequently been updated, should be made publicly available.

The development process of the SSI Standards, including the pilot and consultation reports, are available online here.

4. Quality & Independent Assessment

MSIs should only authorise qualified, third-party, independent assessment (i.e. audit) bodies to conduct assessments against their Standards. Assessment must be unsupervised and only conducted in freely accessible regions.

Drawing on SSI practice, assessment bodies should meet recognised international standards such as **ISO/IEC 17065 or ISO/IEC 17021.**

Individual assessors must be trained and examined against the Standards that they assess performance on. Assessment teams must have experience and qualifications in line with the type of Standard they are conducting assessments for (i.e. they should have representation from labour experts, environmental experts, and so on). For example, the SSI mandates that an expert in human rights is part of any assessment team.

Companies/sites should be assessed by different assessment bodies over time. For example, under the SSI system, the same assessment body is only allowed to conduct three consecutive assessments for one company, before another body must be brought in.

Assessment processes must be standardised, transparent, and verifiable. For example, the SSI has a publicly available Assurance Manual that sets out how assessments must be conducted.

Assessment methodologies should include a range of approaches, including document and data review (e.g. policies, disclosures, and self-assessment questionnaires), on-site audits and visual inspection, remote audits, interviews with management, and unsupervised interviews with workers. A list of examples of information that should be considered by assessment processes can be found in the annex.

To support alignment with existing Guidelines, the European Commission should note that the Forced Labour Ban Implementing Guidelines detail the types of information that can be considered as part of its evidence base (4.7.1 – 4.7.3.5). The SSI assessment methodology already considers most of these information points as part of assessments. These information points are a good point of reference to evaluate the robustness of an MSI's assessment methodology.

5. Certification

MSIs may issue certifications against sites, products, or business activities based on the independent assessment of subjects against their Standards. These certifications should be time-bound, and subject to surveillance. For example, an SSI certification applies to a manufacturing site and is valid for three years after an initial assessment, but must pass surveillance assessments 12 months and 24 months after its initial assessment.

A public record of active certifications, and their scope (e.g. expiry date, site details, level of certification, etc.) should be made available. Where possible, MSIs may also provide public summary reports explaining the assessment conclusions and the justifications for the certifications.

For example, the public SSI Certification library can be found here, and includes public summary reports for each site certification.

MSIs should provide clear guidance on the scope of their certifications, and how their certifications should be used for buyers/procurement stakeholders. For example, the SSI provides a publicly available Buyers' Guide.

As no single tool gives a complete picture of risk in a value chain, Buyers should systematically combine data and support from MSIs with other evidence points as part of their due diligence processes. Data triangulation increases accuracy and reduces the likelihood of relying on incomplete or biased data. For example, the SSI advises its Buyer category members to consider:

- SSI-verified information (certification results, audit trends, CAPs, complaints)
- External intelligence (NGO investigations, news, worker-voice data)
- Technical and sector standards (RBA, SA8000, IRBC, mineral initiatives)
- Geographic-risk profiles (forced labour prevalence, governance quality, conflict risks)
- Internal procurement knowledge (past performance, delivery reliability)

6. Continuous Improvement

In line with **OECD Due Diligence Guidance on Responsible Business Conduct**, MSIs should support industry to continually improve their ESG performance and traceability systems. This can be done through progressive levels of certifications, maintaining the robustness of the certification while incentivising the implementation of improvement plans.

For example, if a site attains SSI certification, it can do so at three levels; Bronze, Silver, Gold. For any level less than Gold, or if a site does not attain certification, it receives a corrective action plan that is monitored through engagement with the Secretariat and follow up independent surveillance assessment(s). The site then may achieve a higher level of certification.

7. Claims

MSIs should be vigilant against potential greenwashing. MSIs should publish clear guidance about the types of claims that its members can make.

Claims by MSIs and their members (regarding their activity in the MSI) must be accurate, verifiable, and proportionate to the level of assurance achieved, avoiding any risk of misleading stakeholders. For example, under the SSI system, claims can only be made by authorised participants and are approved through formal governance processes. Claims must not exaggerate performance, imply broader scope than has been verified through independent assessment, or use vague or promotional language that cannot be substantiated.

MSIs must have robust systems in place to monitor, review, and enforce claims, including corrective actions, withdrawal of claims, or sanctions where misuse occurs, supported by complaints mechanisms and governance oversight. This approach ensures that claims reinforce trust, transparency, and accountability, rather than undermining the credibility of due diligence efforts.

For example, the SSI has a Claims & Communications Guide here, and requests members to submit public claims (press releases, social media, etc.) to the SSI Secretariat for review.

8. Complaints & appeals

MSIs should offer a clear and independent complaints and appeals mechanism to any concerned stakeholder. This mechanism should be designed to process evidenced concerns around the integrity of the assurance and certification system.

For example, the SSI Complaints and Appeals mechanism can be found here.

9. Industry engagement

Beyond the formal assurance and certification process and commitments, MSIs should offer industry the opportunity to connect and exchange more widely on opportunities and challenges in improving supply chain traceability and ESG performance. This could look like target-setting for manufacturers or buyers, capacity-building training or resources to reach further upstream, and/or information exchanges around case studies etc.

As within all industry exchanges, MSIs must ensure clear guardrails with respect to anti-trust and competition laws.

(Non-exhaustive) Information that can be considered by Assessment Bodies when conducting Assessments on behalf Multi-stakeholder Initiatives:

Economic Operator Actions

- Corporate policies, codes of conduct, governance documents, management oversight responsibilities;
- Training materials for management, employees and suppliers;
- Procurement policies, supplier codes of conduct, contract clauses on prohibition of forced labour and supplier onboarding and monitoring;
- Sectoral risk-assessments;
- Documentation evidencing the establishment of a grievance mechanism;
- Reports on due diligence efforts undertaken, including those in compliance with applicable national and EU laws;

Working Conditions

- Worker interview transcripts and written testimonies;
- Social audits;
- Photos/videos of working conditions and/or dormitories;
- List of workers, employee agreements/contracts, payrolls and financial records;

Product Identification

- Description, name or brand of the product, specific requirements under EU law for the identification of the product, such as HS codes, CN codes, type, reference, model,
- batch or serial number affixed on the product, or provided on the packaging or in a document accompanying the product, or the unique identifier of the digital product passport;
- Product traceability evidence (i.e. chain-of-custody certificates, raw-material traceability data);
- Documentation linking the finished product to its raw material source;
- Bills of materials, especially where relevant to determining the share of components or part of the product potentially made with forced labour;
- Certificates of origin from the sites from which products originate;
- The quantity or volume and value of products concerned (e.g. total units produced, imported, or placed on the EU market during the relevant period);
- Information on the inventory and distribution and storage locations, including for distance sales, within the EU.

Supply Chain Structure

- Description of the supply chain, covering key stages of production, manufacturing or mining;
- List of manufacturers, producer and suppliers with regard to key production steps, including the following data for each of them: name, trade name or registered trademark, contact details, unique identification number in the country in which they are established and, where available, their Economic Operators Registration and Identification (EORI) number;
- Supply chain maps covering tiers and sub-tiers and showing both direct and indirect suppliers;
- Information on ownership structures and relationships between suppliers and the economic operator and any third-party intermediaries (e.g. subsidiary, joint-venture, independent contractor);

Facility & Logistics

- Identification of locations and facilities at key extraction, harvest, production, manufacturing, or mining stage (names, addresses, operating entities);
- Purchase orders;
- Invoices and receipts for all suppliers;
- Packing lists;
- Payment records;
- Supplier and buyer inventory records, including dock/warehouse receipts;
- Shipping and transport documentation (manifests, bills of lading for air, sea, or land transport);
- Import/export records.
- Production orders;

- Factory production-capacity reports;
- Evidence demonstrating consistency between input volumes and output volumes for the product(s) extracted, harvested, manufactured, produced or mined.

Further Materials

All SSI Core Documents can be found here.

Document	Document details
Assessment Body and Assessor Approval Procedure	How assessment bodies and individual assessors become authorised to conduct independent third-party assessment on behalf of the SSI.
Assurance Manual	How assessment bodies conduct consistent and quality, assessments of manufacturing sites' performance against the SSI Standards.
Claims & Communications Guide	How SSI members are permitted to communicate about their participation in the Initiative and/or their certifications.
Complaints and Appeals Mechanism	How any stakeholder can submit a complaint or concern about the SSI system.
ESG Standard	A set of almost 100 criteria that sets the Standard for ESG performance at solar manufacturing sites.
Governance Terms of Reference	How the SSI Multi-stakeholder Governance is structured and maintained.
Membership fees terms and conditions	How the SSI membership payment model works.
Policy of Association	How the SSI may admit or remove a company to/from its membership.
Pre-Membership Due Diligence Procedure	How the SSI assesses that a company is applying to join the SSI in good faith, and has met a sufficient level of readiness.
Recognition Process	How the SSI system recognises other assurance systems.
SSI Buyers' Guide	How solar buyers may integrate the SSI system into their responsible procurement practices.
SSI Principles	This sets out the commitments that new SSI members must commit to in order to join the Initiative.
SSI Principles – Annex 10	This sets out the SSI's manufacturer members export commitments.
Standard Setting and Review Procedure	How the SSI develops its Standards.
Supply Chain Traceability Standard	An extensive set of criteria which sets the Standard for how material traceability systems are implemented at a manufacturing site.