

SUBMISSION
ON THE REGULATORY
APPROACH UNDER
BILL C-35

Hotels Canada Submission on the Regulatory Approach Under Bill C-35, *An Act respecting the prohibition of the importation of goods produced by forced labour*

Hotels Canada welcomes the opportunity to provide input on the implementation of Bill C-35 and supports the Government's objective of strengthening Canada's approach to forced labour in global supply chains. As an industry that has come together to address human trafficking in Canada, the hotel sector recognizes the important role businesses can play in preventing and responding to exploitation. We recognize the significant progress Canada has made in recent years through the existing forced labour import prohibition, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and the introduction of Bill C-35. Together, these measures demonstrate Canada's commitment to strengthening supply chain integrity, promoting responsible business practices, and advancing human rights objectives. A new legislative framework should strengthen Canada's import prohibition while providing a targeted, transparent, and practical approach that recognizes the realities of complex supply chains.

Supporting Effective and Practical Enforcement

Hotels Canada supports a targeted and risk-based approach to enforcement that focuses attention on the goods, suppliers, and jurisdictions where forced labour risks are most significant. Effective implementation of Bill C-35 will require a framework that is transparent, evidence-based, and practical for businesses operating within complex and highly integrated North American supply chains.

Hotels rely on extensive supply chains to procure the wide range of goods necessary to operate their properties, including furnishings, linens, technology, appliances, equipment, and other operational supplies. These goods are often purchased through third-party suppliers, which can limit visibility into upstream production activities. As the Government develops the implementation framework, it should recognize the varying levels of access businesses have to sourcing, production, and traceability information. Implementation should recognize these realities and ensure that compliance expectations remain

proportionate to a business's role within the supply chain. Where an importer provides the information reasonably available to it and meets the prescribed requirements, this should be sufficient to demonstrate compliance with its obligations. This will help focus enforcement where it can be most effective while avoiding disproportionate administrative burdens for businesses with no direct influence over upstream production decisions.

Transparency and Predictability

Hotels Canada supports a risk-based approach to identifying goods that may be produced with forced labour. The criteria and evidence used to determine which goods are listed should be transparent and clearly communicated.

The successful implementation of Bill C-35 will depend on providing businesses with sufficient certainty and time to adapt to new requirements. Businesses need a clear understanding of regulatory requirements to assess supplier relationships, evaluate procurement decisions, and meet their compliance obligations. Many businesses operate through long-standing supplier relationships, contractual commitments, and procurement arrangements that cannot be changed immediately. This can be particularly challenging within highly integrated Canada-U.S. supply chains, where goods may move through multiple suppliers and intermediaries across jurisdictions. Clear guidance and advance notice of changes will help businesses understand what is expected of them and make adjustments where needed. Businesses should also have a clear and accessible administrative process to provide information and seek reconsideration where they believe a listing is no longer appropriate or was made in error, before having to pursue judicial review.

International Alignment

To the maximum extent possible, Canada should harmonize with international laws, especially with key trading partners, including the United States, primarily UFLPA. Greater alignment can reduce duplication for business and provide businesses operating across North American supply chains with more consistent



compliance expectations. Alignment should focus on common approaches to risk assessment, including the use of shared intelligence and risk indicators, as well as supply chain documentation, due diligence expectations, and compliance guidance. Greater coordination and information sharing between Canadian and U.S. authorities could help focus enforcement on goods, suppliers, and jurisdictions where there is credible evidence of forced labour, while reducing unnecessary disruption for businesses operating in good faith.

ABOUT HOTELS CANADA

Hotels Canada is a national association dedicated to identifying and understanding the most critical challenges faced by our industry. We bring together hospitality leaders and key stakeholders to collaboratively problem-solve and mobilize for action. We translate complex industry data into actionable insights. Through strategic advocacy efforts, we advocate for legislative solutions that create policy impact, while elevating our membership base through innovative and sustainable programming to ensure our industry's continued growth and success.