



November 21<sup>st</sup>, 2023

Peter Fonseca,  
Chair of the Standing Committee on Finance (FINA)  
House of Commons, Canada

Pamela Wallin,  
Chair of the Standing Committee on Banking, Commerce and the Economy (BANC)  
Senate of Canada

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Dear Chairs Fonseca and Wallin;

**Re: Call for Parliamentary Study on Private Equity Practices in Canada**

We are writing to you to raise the issue of current practices and regulation of private equity (PE) funds within Canada. We wish to express our collective concern about the lack of transparency and public disclosure, and reported instances of violations of labour rights and environmental standards within this sector. We believe that a targeted Parliamentary study is warranted to shed light on these issues and recommend policy changes that can safeguard the interests of stakeholders and responsible investors alike.

Founded in 2020, the Canadian Capital Stewardship Network (CCSN) brings together trade union representatives and labour-nominated fund trustees committed to mobilizing workers' capital to uphold the rights of workers and their communities. One of CCSN's leading concerns is working with institutional investors – including asset owners and asset managers – to ensure that risks associated with environmental, social and governance (ESG) factors are appropriately considered in investment decision-making.

Private equity is a multi billion-dollar industry in Canada, and has grown rapidly in recent decades. Private equity capital deals in Canada during [2022 amounted to CAD10.1 billion](#) - after averaging CAD19 bn between 2018-2021 - with a record 890 deals closed that year. Today, PE capital is invested in Canada's manufacturing, clean tech, and business services industries, but also [residential housing](#), health services like [optometry](#), and [childcare](#). Unlike publicly listed companies, assets owned by private equity funds have very few public financial reporting requirements, and transparency and accountability are limited.



In recent years, the private equity industry has garnered growing attention globally due to its influence on the economy, its impact on workers and communities, and its potential role in [financial market stability](#). Given the important role played by private equity firms within the Canadian economy, we believe it is crucial to closely examine and better understand the practices of these entities to ensure a fair and sustainable economic landscape.

Earlier this year, the investigative journalism program *60 Minutes* [revealed](#) that the largest slaughterhouse cleaning firm in the United States, Packers Sanitation Services Inc (PSSI), was employing over 100 children between the ages of 13 and 17 in more than a dozen meat processing facilities across eight states. Many of these children were illegally employed in dangerous jobs on overnight shifts. PSSI's owner is the largest private equity company in the world, Blackstone.

This exposé followed several in-depth studies published by [investigative journalists](#) and [academics](#), as well as extensive [study](#) of the private equity industry conducted by US Congressional committees. A growing body of scholarly research has raised concerns about private equity fund practices in [health care](#), [autism services](#), and [education](#), in addition to private equity's impacts on [workers](#), [the environment](#) and [people of colour](#).

Introduced in the US Senate and House of Representatives in 2021, the [Stop Wall Street Looting Act](#) focuses on ensuring greater accountability for the PE industry, and respect for labour and human rights in PE investments. The US Securities and Exchange Commission is also proposing regulatory [reforms](#) to protect investors by requiring detailed quarterly reporting from PE firms, and limiting the expenses PE managers can pass on to investors.

Inspired by the significant Congressional studies conducted in the United States, we believe that a Parliamentary study in Canada would serve as a valuable instrument to understand the dynamics of PE within our borders. Examining private equity's compliance with labour rights and environmental standards is indeed imperative to ensuring the well-being of workers and safeguarding the environment. The US PE industry has [recognized](#) the need to raise its investment standards. Similarly, a Parliamentary study focusing on practices in Canada could shed light on the industry's adherence to appropriate criteria and guidelines for managing ESG risks.

We firmly believe that Parliamentary scrutiny of PE practices within Canada is essential for promoting transparency, protecting stakeholders, and fostering a sustainable



economic landscape. We are eager to engage in a constructive dialogue on this matter and provide any additional information or support needed for the proposed study.

Thank you for your attention and consideration. We look forward to your response and would be pleased to assist your respective Committees in any way we can.

Sincerely,

Associate Director, CCSN Secretariat

C.c.:

Paul Finch – British Columbia General Employees Union (BCGEU)  
James Infantino – Public Service Alliance of Canada (PSAC)  
Marie-Josée Naud - La Fédération des travailleurs et travailleuses du Québec (FTQ)  
Meg Gingrich – United Steelworkers (USW)  
Chris Roberts – Canadian Labour Congress (CLC)  
Harpinder Sandhu – Canadian Union of Public Employees (CUPE)  
Michelle Travis - UNITE HERE Local 40