

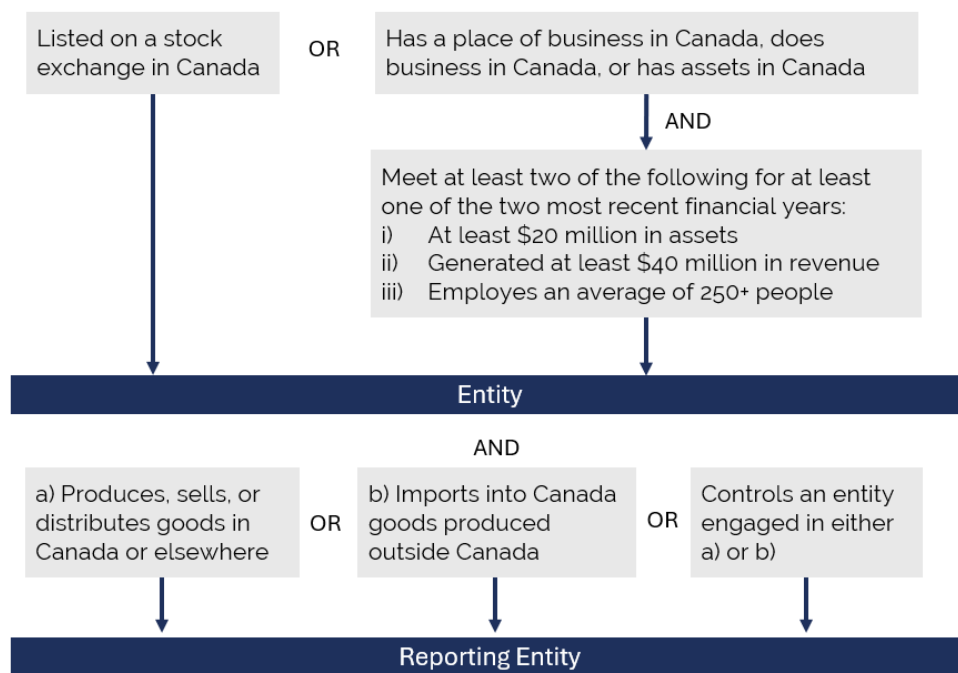
Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

Overview

Formerly known as Bill S-211 and referred to as Canada's Modern Slavery Act, the "[Fighting Against Forced Labour and Child Labour in Supply Chains Act](#)" (the Act) came into force on January 1, 2024. An element of Canada's international commitment to address forced and child labour, the Act mandates comprehensive public reporting from entities and government institutions on their efforts to prevent and reduce the risk of these exploitative practices. Public Safety Canada will make reports available to the public via a catalogue on the website of the Department of Public Safety and Emergency Preparedness. Later this year the government will also introduce legislation to eradicate forced labour from Canadian supply chains and strengthen the ban on importing goods produced with forced labour. This backgrounder covers key aspects of the Act and compliance requirements for entities.

Entities Impacted by the Act

Reporting requirements apply to a corporation, trust, partnership, or other unincorporated organization that meets the definition of an entity and the criteria for being a reporting entity as illustrated in the flow-chart below:



Production includes the manufacturing, growing, extracting, and processing of goods.

Reporting Requirements

Reporting entities are required to submit a report outlining measures taken to prevent and reduce the risk of forced labour and child labour through all stages of the production or import of goods. Additionally, reports must also set out the entity's:

- a) Structure, activities, and supply chains;
- b) Policies and due diligence processes to address forced or child labour;

- c) Business activities and areas of the supply chain that have a risk of forced or child labour and steps taken to assess and manage identified risks;
- d) Actions taken to remediate forced or child labour;
- e) Actions taken to remediate loss of income to the most vulnerable families resulting from actions taken to eliminate forced or child labour;
- f) Training program for employees on aspects of forced or child labour;
- g) Processes for assessing the effectiveness of actions to prevent forced and child labour in business and supply chains.

Timeline & Steps to Comply

Reports covering the previous financial year are due annually by May 31. Steps to comply:

- Prepare report.
- Obtain approval and attestation from individuals(s) with legal authority to bind the entity.
- Complete questionnaire through Public Safety Canada's [online portal](#).
- Upload report and attestation.
- Publish report on public webpage.

Incorporated entities must provide the report to shareholders with annual financial statements.

Inspections

The Act authorizes designated persons to conduct inspections to confirm compliance. Persons in charge must provide documents, information, or access that is reasonably required.

Implications of Non-Compliance

Entities that do not comply with reporting obligations, including the requirement to post the report on a public webpage; knowingly make or provide false or misleading statements or information; or obstruct a designated person may be subject to fines up to \$250,000.

Additional Resources

Public Safety Canada has published [Guidance](#) for entities preparing reports. This document covers characteristics of a compliant response and best practices. For instance, entities must ensure responses outline concrete actions taken during the prior financial year rather than aspirational actions or future goals. The guidance document expands on what must be included under each requirement, and what type of information is encouraged. Public Safety Canada has also provided a repository of [Resources](#) to assist business with addressing human rights within their operations, including international standards and guiding principles.

Experience from Other Jurisdictions

Entities may be able to leverage content from reports prepared to comply with similar legislation in other regions. Jurisdictions with similar legislation include:

- California: Transparency in Supply Chains Act (2012)
- United Kingdom: Modern Slavery Act (2015)
- France: Law on Due Diligence of Corporations and Main Contractors (2017)
- Australia: Modern Slavery Legislation (2018)
- Netherlands: Child Labour Due Diligence Law (2022)
- Germany: Act on Corporate Due Diligence Obligations in Supply Chains (2023)