

Bill S-211

Canada's legislation to combat modern slavery in supply chains

On 11 May 2023, the Parliament of Canada adopted Bill S-211, also known as the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the '**Act**'). The Act establishes reporting obligations for certain government institutions and private-sector entities regarding on steps taken to prevent and reduce the risk of forced or child labour in manufacturing, growing, extracting and processing of goods.

Through this Bill, Canada aims to implement its international commitments to eradicate forced and child labour and to improve their practices throughout their global supply chains.

Who does the Act apply to?

1. **Government institutions** producing, purchasing or distributing goods in Canada or elsewhere.



2. **Private-sector entities** producing, selling or distributing goods elsewhere, entities importing goods produced outside into Canada, or entities controlling, - whether directly or indirectly - an entity participated in any activity described in the preceding activities.



An **entity** is:

A corporation, trust, partnership, or other unincorporated organisation that is either:

- (a) listed on a stock exchange in Canada, **or**
- (b) maintains a place of business, conducts business, or holds assets in Canada.

Additionally, based on consolidated financial statements for at least one of its two most recent financial years it fulfils at least two of the following conditions:

- has no less than \$20 million in assets,
- has generated at least \$40 million in revenue, **or**
- employs an average of at least 250 employees.

FACT SHEET



What are the requirements on government institutions and entities?

Submit a **yearly report** to the Minister of Public Safety and Emergency Preparedness by May 31 detailing the measures implemented in the preceding financial year to prevent and reduce the likelihood of forced labour or child labour being employed at any stage of the production, purchasing, or distribution of goods. The form and manner of reporting is yet to be established.

Report on **other information**, including:

- structure, policies and due diligence processes related to forced labour and child labour;
- measures taken to address any forced labour or child labour;
- training provided to employees on these issues; and
- self-evaluation on the effectiveness of measures in combatting forced labour and child labour.

Publish the report on its website.



Submit report on May 31st each year



Make the report publicly available

Government institutions and entities that **fail to comply or provide false or misleading statements** are subject to a **fine** of no more than \$250,000.



When does the Act take effect?

The Act comes into force on **1 January 2024**. Therefore, government institutions and private-sector entities must submit their first report by **31 May 2024** on activities undertaken between 1 January 2023 and 1 December 2023, if their financial year aligns with the calendar year.

How can you prepare?

With the deadline to comply with the obligations fast approaching, businesses are encouraged to undertake the following steps as an **initial** proactive response:

1. **Assess, evaluate** and regularly **monitor** risk factors associated with forced and child labour across the entirety of your business operations and supplier relationships. Including by, developing a thorough understanding of regions and areas with a high risk of child and forced labour.
2. **Implement** robust due diligence procedures and grievance mechanisms to provide remedy if violations are found.
3. **Review** existing policies on forced and child labor or, if none are in place, implement comprehensive measures to address these issues.

ABOUT US

We are Business and Human Rights Compliance, the business and human rights arm of Global Rights Compliance an international human rights legal practice based in the UK and the Netherlands, specialising in international human rights, criminal, and humanitarian law.

We advise businesses, trade associations, and investors on both the legal and practical aspects of human rights due diligence. Our approach is centred around actively assisting and supporting organisations in developing responsible business models that not only respect human rights but also minimise legal liability and enhance sustainable practices.



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