

# Bill S-211: New reporting obligations for large businesses



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The federal government introduced Bill S-211 as a strategy to prevent and reduce the risk forced labour and child labour in supply chains.

If your business meets certain criteria, it must produce an annual report by May 31 that outlines your supply chain operations and efforts in reducing forced labour and child labour.

## What is Bill S-211?

Bill S-211, now formally called *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, came into effect on January 1, 2024. It requires that certain government institutions and private-sector entities report on the measures they have taken to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains.

## Who does the Act apply to?

Broadly, it applies to any entity that: produces, sells or distributes goods into Canada or elsewhere; imports goods into Canada that were produced outside Canada; or controls an entity (either directly or indirectly) that engages in the activity described in either of the above.

Your business is considered an “entity” if it operates as a corporation, trust, partnership, or other unincorporated organization that is listed on a Canadian Stock Exchange; or has two of the following three criteria for at least one of the last two financial years: (1) at least \$20 million in assets, (2) generated at least \$40 million in revenue, or (3) employed an average of at least 250 employees; or is prescribed by the regulations.

If you meet the above criteria, then the Act applies to you, and you must produce a report prior to May 31 of each year.

## What are the requirements for the report?

Your report must address the steps you took in your previous financial year to prevent and reduce the risk that forced labour or child labour was used at any step of the production of your goods in Canada or of goods you import into Canada.

Reports must also include:

- your structure, activities and supply chains;
- your policies and due diligence processes in relation to forced labour and child labour;

- the parts of your business and supply chain that carries a risk of forced labour or child labour being used and the steps you took to assess and manage that risk;
- any measures you took to remediate any forced labour or child labour;
- any measures you took to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in your activities and supply chains;
- the training you provided to employees on forced labour and child labour; and
- how you assess your effectiveness in ensuring that forced labour and child labour is not being used in your business and supply chains.

Reports can be made jointly between businesses, but they must be approved by the governing body of each business included in the report, or by the business that controls another business included in the report. Reports must also be signed and include a statement that the report was approved by the governing body of each business or by the governing body of the business that controls another business included in the report.

Reports must be addressed to the Minister and made available to the public, by publishing it on your website. If you are federally incorporated, then you must also provide the report to each shareholder, along with your annual financial statements.

## What are the consequences of non-compliance?

If you fail to comply with certain provisions of the Act, or you knowingly provide false or misleading information, then you can be found personally guilty of an offence, punishable on summary conviction, and liable for a fine up to \$250,000.

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