

## Canada's New Forced Labour Legislation

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), formerly Bill S-211, came into effect on January 1, 2024. Obligated entities are required to submit an annual report by May 31, 2024, and every year thereafter, detailing steps taken to prevent and reduce the risk of forced labour and child labour in their activities and supply chains.

Ultimately, the intention of the Act is to improve business practice by minimizing the risk of forced and child labour being used in imported goods and in the production of goods, whether domestic or elsewhere.

## How ESG Partners Can Help

### We offer a self-guided reporting template:

- **Clear definitions of what constitutes an offence under the Act and what enforcement measures may be taken**
- **Step-by-step, easy to follow guidance for preparing and submitting a report that will meet the Act's requirements**
- **Consulting support - 30 min**

**Contact us at [services@esgpartners.ca](mailto:services@esgpartners.ca)**

## Who does the Act apply to?

1. The Act applies to **private sector entities** who are producing goods in Canada or elsewhere, or importing goods produced outside Canada, and meet two of the following conditions for at least one of its two most recent financial years:



It has at least \$20 million in assets



It has generated at least \$40 million in revenue



It employs an average of at least 250 employees

2. The Act applies to **government institutions** that are producing goods in Canada or elsewhere, or importing goods produced outside Canada.

A 'government institution' is defined within the Act as:

- Any department or ministry of the Government of Canada
- Any parent Crown corporation, and any wholly-owned subsidiary of such a corporation

Note: Even if these criteria don't apply directly to your entity or institution, business partners or clients to whom it does apply directly may need to request this information from you.

## What is Required Under the Act?

The entity or institution must describe the steps it took in its previous fiscal year to reduce the risks of forced labour and child labour being used anywhere in their activities and supply chains. Additionally, supplementary information must be provided addressing each of the following seven (7) requirements:

- a. Its structure, activities, and supply chains
- b. Its policies and its due diligence processes in relation to forced labour and child labour
- c. The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk
- d. Any measures taken to remediate any forced labour or child labour
- e. Any measures taken to remediate the loss of income to the most vulnerable families the results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains
- f. The training provided to employees on forced labour and child labour
- g. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains