



BILL S-211: ASSESSING THE RISKS RELATED TO FORCED LABOUR AND CHILD LABOUR IN YOUR SUPPLY CHAIN.

WHAT THE NEW ACT MEANS FOR YOUR BUSINESS

Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*, (the “Act”) was adopted by the Canadian Parliament and came into effect on January 1, 2024. The new law will require certain private-sector entities and government institutions to submit an annual report to the Minister of Public Safety by May 31 of each year that will detail the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains.

Failure to file could result in fines up to \$250,000 for the entity or for any of its officers or directors.

Objective of Bill S-211: Implement Canada’s global international commitment to contribute to the fight against forced and child labour through the imposition of reporting obligations.

With this Act, the federal government is promoting responsible business practices through transparency in the form of public reporting and sanctions.

Who is impacted:

Any corporation, trust, partnership or other unincorporated organization whose activities include:

- producing goods in Canada or elsewhere,
- importing goods into Canada, or
- controlling an entity engaged in any of these activities

and is either:

- listed on a stock exchange in Canada

OR

- has a place of business in Canada, does business in Canada or has assets in Canada and meets two (2) of the following three (3) criteria for at least one of its two most recent financial years based on its consolidated financial statements:

- \$20 million or more in assets
- \$40 million or more in revenue
- An average of 250 or more employees

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Deadline: May 31st of each year.
The first report will be due May 31, 2024.

The Report:

- Must detail the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used by the entity or in its supply chains. Mandatory information will include the entity's policies and due diligence processes, remediation measures, the relevant training provided to its employees and the entity's assessment of its own effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.
- Must receive approval from the appropriate governing body or bodies who have the legal authority to bind the entity or entities.
- Be made available to the public in two ways:
 - In a prominent location on the reporting entity's website; and
 - In an electronic registry on Public Safety Canada's website.
- Entities incorporated under the *Canada Business Corporations Act* or any other Act of Parliament will have to provide the report to each shareholder along with its annual financial statements.

Questionnaire: An online questionnaire must also be completed.

Penalty:

- Every person or entity that fails to comply with requirements under the Act is guilty of an offence punishable on summary conviction and liable to a fine of not more than \$250,000.
- Every person or entity that knowingly makes any false or misleading statement or knowingly provides false or misleading information is guilty of an offence punishable on summary conviction and liable to a fine of not more than \$250,000.

- Any director, officer, agent or mandatary of an entity who directs, authorizes, assents to, acquiesces in or participates in commission of an offence under the Act is a party to and guilty of the offence and liable to punishment whether or not the entity itself is also prosecuted or convicted.

GUIDING YOU TOWARDS COMPLIANCE

Ensuring compliance for your business will take time and resources. Richter can support you by providing a well thought-through and customized approach to meet your reporting requirements and ensure your business complies. Richter stays abreast of any amendments to the Act and accordingly advises clients that may be impacted by such changes. We have developed a report template and a practical and efficient approach to support you as the deadline is around the corner. Our team can assist in completing the report and questionnaire, amongst various other services that cater to your business and needs. Richter can also support you to develop a roadmap to improve your processes to ensure that you adequately manage the risks of forced labour and child labour in your supply chain. We invite you to reach out to your Richter partner and/or our dedicated experts mentioned below.

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