

NEW MANDATORY REPORTING REQUIREMENT FOR BUSINESSES: CANADA'S MODERN ANTI-SLAVERY BILL BECOMES LAW

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Bill S-211, *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"), Canada's modern slavery legislation, passed in the House of Commons today. As a result, businesses and government bodies will be required to annually report on their efforts to prevent or mitigate the risk that forced labour or child labour exists in their supply chains.

The first such report will need to be filed with the government by May 31, 2024, and will need to be published prominently on the business' website.

The Act aims to combat the prevalence of forced labor in global supply chains by requiring companies to disclose information on their efforts to address forced labour in their operations and supply chains. This includes information about the company's policies and due diligence processes, as well as the actions taken to address identified risks.

Failure to comply with the reporting obligations under the new Act can result in fines and reputational damage and creates liability for directors and officers.

Reporting requirements are mandatory for companies listed on a Canadian stock exchange or have a nexus to Canada. Nexus to Canada is established by having assets, a place of business, or doing business in Canada, and meeting two of the three following thresholds: \$20 million in assets, \$40 million in revenue, or 250 employees. For more details, see our [previous bulletin on Bill S-211](#).

The legislation also creates a prohibition on importing goods made of child labour, which will be enforced by Canada Border Services Agency, in line with the prior-enacted prohibition on goods made of forced labour.

We advise our clients to immediately take steps to prepare for compliance with the new forced labour reporting obligations. This may involve reviewing and updating your company's policies and procedures to address forced labor risks in your supply chain. You may also wish to update your supplier due diligence and take action to remedy any identified risks.

If you have any questions or concerns about S-211, or would like guidance or support in preparing your company's report, please do not hesitate to contact us. Our team remains available to support compliance with this important new legislation.

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A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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