

Overview

Early in 2022, the Senate passed Bill S-211 and sent it to the House of Commons, where it awaits its Third Reading and final approval. If passed, Bill S-211 requires certain government institutions and private-sector entities to report on the measures taken to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains. The Bill will also prohibit the importation of any good or service that has used forced or child labour at any point in its creation.

Who is affected by the Bill?

Bill S-211 requires certain Canadian-associated entities and government institutions to complete the new report. Bill S-211 defines an "entity" as a corporation, trust, partnership or other unincorporated organization that is listed on a stock exchange in Canada, is prescribed by regulation as an entity, has a place of business in Canada, does business in Canada or has assets in Canada, and that meets two or more of the following conditions:



CAD \$20 million
or more in assets



CAD \$40 million
or more in revenue



250
or more employees

Reporting requirements

Any organization that qualifies must complete an annual report outlining all of the steps and actions it took over the past year to prevent and reduce the risk of using forced labour and child labour at any point in its supply chain. The report must include employee training, company policies, due diligence processes, identified risks, and measures taken by the organization concerning forced labour and child labour. **The report will need to be approved by the Board and signed by at least one Board member.** It must be filed on or before May 31 each year. The report will also need to be shared with shareholders along with financial statements if it is a federally incorporated company.

Penalties for non-compliance

If a report is not completed on time or has intentionally misleading information, the person or entity responsible will face a fine of up to CAD \$250,000.

About Millani

Millani provides advisory services on ESG integration to both investors and companies. For the past 15 years, Millani has become the partner of choice for institutional investors. By providing advisory services on developing strategic ESG communications, engagement and disclosure strategies and integrating material ESG issues into their investment strategies and decision-making processes, we help our clients reduce risks, increase returns, and create value. Millani is also leveraging this expertise and its experience in ESG consulting to help reporting issuers improve their ESG disclosure and engagement strategies to optimize their market value.

For more information, contact us at info@millani.ca or visit our website: www.millani.ca