

# Bill S-211

With the first report deadline on May 31, 2024, and fines up to \$250,000 for non-compliance, Bill S-211 is worth a second look. Having come into force on January 1st this year, and with more details recently disclosed on reporting requirements, now is the prudent time to consider your readiness for report submission.

At BDO, we are helping our clients meet their compliance needs on Bill S-211 while also ensuring value creation opportunities of compliance are not overlooked.

The Canadian Parliament has passed Bill S-211—effective on January 1, 2024—with an aim to strengthen and enhance social supply chain disclosures within ESG reporting, while fulfilling Canada's international commitment against forced labour and child labour.

The bill applies to entities, described as a corporation or a trust, partnership, or other unincorporated organization, that engage in any of the following activities:

1. Produce, sell, or distribute goods in or outside Canada, or
2. import goods produced outside of Canada, or
3. controls an entity engaged in either of the above activities.

Entities subject to the bill must also meet one of the two requirements:

1. listed on a stock exchange in Canada, or
2. have a place of business in Canada, do business in Canada, or have assets in Canada, and based on their consolidated financial statements, meet at least two of the following conditions for at least one of their two most recent financial years:
  - Have at least CAD \$20 million in assets.
  - Have generated at least CAD \$40 million in revenue.
  - Have an average of at least 250 employees.

If your business is subject to Bill S-211, it is imperative to recognize potential forced labour and child labour concerns in your supply chain. Understanding the bill's implications is crucial to evade penalties and mitigate any harm to your business reputation.

## Reporting requirements

As an entity that is required to report under Bill S-211, you must develop a Supply Chain Risk Report on an annual basis; published with the Federal Government on or before May 31 of each year, with the first annual report due May 31, 2024, detailing the steps your business has taken during its previous financial year to prevent and reduce the risk of forced labour or child labour in the supply chain.

Your Supply Chain Risk Report will need to entail further information about your business and how you manage to comply with the Bill. This includes:



Business structure, activities, and supply chains.



Policies and due diligence processes in relation to forced labour and child labour.



Business and supply chain areas at risk of forced labour or child labour, and the measures taken to assess and address this risk.



Any measures taken to remediate any forced labour or child labour.



Any measures taken to compensate vulnerable families for income loss due to eliminating forced labour or child labour in activities and supply chains.



The training provided to employees on forced labour and child labour.



How you assess effectiveness in preventing forced labour and child labour in your business and supply chains.

## Risks of failing to report

It's crucial that you are well prepared and informed about annual reporting requirements and the risks of non-compliance, which can include:

- Risk of reputational damage.
- Being disqualified from supply chains.
- Being subject to fines of up to \$250,000.



## How can BDO help?

At BDO, we understand the significance of the new reporting requirements, which place a strong emphasis on sustainable supply chain practices.

Our team has extensive experience in ESG reporting, ready to support your business as you navigate the evolving landscape of new supply chain requirements.

With a commitment to providing practical solutions, we provide sustainable supply chain services, designed to address the intricacies of supply chain management to help your business thrive in the current regulatory landscape through:

- Supply chain risk assessment.
- Supply chain training.
- Supply chain risk reporting.
- Supply chain strategy.

## To learn more, please contact:

**Simon Hutton**  
Sustainability and  
ESG Leader,  
BDO Canada  
[shutton@bdo.ca](mailto:shutton@bdo.ca)

**Charmaine Goddeeris**  
Director, Customs &  
International Trade,  
BDO Canada  
[cgoddeeris@bdo.ca](mailto:cgoddeeris@bdo.ca)

**Pierre Taillefer**  
Partner Risk Consulting  
BDO Canada  
[ptaillefer@bdo.ca](mailto:ptaillefer@bdo.ca)

## About BDO

BDO is a leading provider of professional services, delivering a range of assurance & accounting, tax, and advisory services. Complemented by continuously advancing technology expertise, ESG focus, and 100+ years of being connected to local communities, we're proud to cultivate ongoing relationships with clients and employees across Canada and beyond. Our people-first approach to our talent experience has earned us multiple awards, including a spot among [Canada's Top 100 Employers for 2023](#).

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