



British Columbia
Social Procurement Initiative

MODERN SLAVERY UPDATE – JANUARY 2024

Introduction

In May 2023 the Government of Canada passed the [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#) (the Act), formerly known as Bill S-211. Forced labour can be found in every country and every sector. The [International Labour Organization](#) estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

Find more information on the annual reporting requirements for “government institutions” and “entities” on Public Safety Canada’s [Forced Labour in Canadian Supply Chains page](#).

Does the Act apply to your organization?

Is your organization a federally regulated “government institution”?

The federal legislation applies to federal “government institutions.” BC SPI Members are provincially regulated government institutions such as crown corporations, municipalities and regional districts and therefore are not covered by this act.

Is your organization an “entity”?

On the other hand, an “entity” has a broader definition and would capture a larger cross section beyond federal government institutions. The definition of “entity” could capture some BC SPI member organizations. For example: public corporate entities (such as British Columbian crown corporations) and municipal corporate entities.

According to the Act, “entities” include any corporation, trust, partnership, or other unincorporated organization whose activities include producing, selling, or distributing goods in Canada or elsewhere importing goods into Canada, or controlling an entity engaged in any of these activities. Additionally, the entity must either be listed on a stock exchange in Canada or have a place of business in Canada, do business in Canada or have assets in Canada and meet two of the following three criteria for at least one of its two most recent financial years:

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

It is therefore recommended that BCSPi Members obtain legal and financial and/or expertise to determine if the definition of “entity” detailed in the Act applies to their organization.

Is your organization a “reporting entity”?

To be required to submit a report, your organization must meet the definition of “entity” under section 2 of the Act and meet the criteria for being a “reporting entity,” under section 9. In other words, if you are an “entity,” you may be subject to the Act, but may not be required to report.

Under section 9 of the Act, reporting requirements apply to entities:

- a. producing, selling, or distributing goods in Canada or elsewhere;
- b. importing into Canada goods produced outside Canada; or
- c. controlling an entity engaged in any activity described in paragraph (a) or (b).

If your organization is an entity and meets at least one of the above criteria (a), (b) or (c), then you are required to submit a report.

It is recommended that BCSPi Members obtain legal advice and/or expertise to determine if the definition of “reporting entity” detailed in the Act applies to their organization.

Resources for Reporting

If you *are* required to report under the Act, then you must begin to plan, action, and document your organization’s efforts to prevent forced labour and child labour within your supply chains.

If you *are not* required to report, you may still want to pursue some of the following options for moral reasons, and in anticipation of any potential future regulation from the Government of British Columbia that requires you to do so.

1. Have a supplier Code of Conduct or Human Rights Clause to establish the legal expectation with suppliers:
 - o [Government of Canada Code of Conduct for Procurement](#) (see section 10)

2. Review your supply chain for [high-risk goods as outlined by the US Government Government for Forced Labour and Child Labour](#)
3. Document any supply chain assessment or efforts taken to address and eradicate exploitative practices in your supply chains
4. Stay connected with BCSPi for access to resources and training or attend the bi-monthly BCSPi Community of Practice calls where you can learn what other members are doing.

The BCSPi team is available to support your organization through coaching and consulting. If you would like to schedule a call, please contact em@buysocialcanada.com