Reminder: Canada’s Modern Slavery Act Report Due by May 31, 2025

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Many Canadian entities and other entities conducting business in Canada have reporting obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Modern Slavery Act**”), which came into effect on January 1, 2024.

These obligations include completing an online questionnaire and filing an annual report on the steps taken to prevent and reduce the risk of forced labor or child labor in their supply chain.

The Modern Slavery Act applies to government institutions producing, purchasing or distributing goods in Canada or elsewhere, and to “entities” producing goods in Canada or elsewhere or importing goods produced outside Canada or controlling such entities. An "entity" refers to organisations that are listed on a Canadian stock exchange or have a business presence or assets in Canada and satisfy certain thresholds related to assets, revenue, or number of employees.

As organizations prepare for the upcoming reporting deadline of May 31, 2025 - a second report for many - they should consider the following:

- It is useful to review guidelines, which were updated by Public Safety Canada in November 2024 to clarify key terms such as assets, goods, and importer.
- Failure to submit the report in accordance with the Modern Slavery Act may result in substantial penalties, including fines and potential liability for the directors, officers, and employees involved.
- The report must encompass a broad range of information, receive approval from the entity's governing body, and include the required attestation. Sufficient resources and time should therefore be allocated to the preparation and approval of the report.

In summary, reporting entities and governmental institutions subject to the Modern Slavery Act should promptly review their obligations and gather the necessary information for their reports. Timely and accurate reporting is crucial to avoid legal and financial consequences.

For assistance or clarification on compliance with the Modern Slavery Act, please contact Mylène Vallières at mvallieres@lavery.ca.

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