

Annual Disclosure Under Canada's Mandatory Supply Chain Reporting Regime Due By May 31, 2025



In 2024, the [*Fighting Against Forced Labour and Child Labour in Supply Chains Act*](#) (the “**Modern Slavery Act**”) officially came into force. Each year on May 31st, all applicable organizations in Canada must file a report (an “**Annual Report**”) with Public Safety Canada, and publish the same report on their website, detailing the steps taken during the organization’s previous fiscal year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods.

The first Annual Reports were due on May 31, 2024. The next reporting deadline is quickly approaching: May 31, 2025.

Who Needs to Report?

The Modern Slavery Act requires private organizations of a given size – described below – to file an Annual Report if they (1) produce goods in Canada, (2) import goods into Canada, or (3) maintain direct, indirect or joint control over an entity that produces or imports goods into Canada.

Therefore, private businesses that are solely service providers and do not produce or import goods into Canada do

not fall within the ambit of reporting obligations.

If a private business, including a corporation, trust, partnership or other incorporated organization, does produce or import goods into Canada, it will be obligated to file an Annual Report if it also:

1. Is listed on the stock exchange in Canada; or
2. Has a place of business in Canada, does business in Canada, or has tangible assets in Canada and, based on its consolidated financial statements, meets at least two of the following three criteria:
 1. has at least \$20 million or more in assets;
 2. has generated at least \$40 million in revenue; and/or
 3. employs, on average, 250 employees.

The above thresholds apply independently to both parent companies and their subsidiaries, which may file a joint Annual Report or opt to file independently.

What Is Included in the Annual Report?

Annual Reports must include information on:

1. The organization's structure, activities and supply chains;
2. The organization's policies and due diligence processes implemented in its previous fiscal year in relation to forced labour and child labour;
3. The parts of the organization's business and supply chains that carry a risk of forced labour or child labour being used, and the steps the organization has taken in its previous fiscal year to assess and manage that risk;
4. Any measures taken by the organization in its previous fiscal year to remediate any forced labour or child labour;

5. Any measures taken in the organization's previous fiscal year to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains;
6. The training provided to employees on forced labour and child labour in the organization's previous fiscal year; and
7. How the organization assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

Annual Reports must be approved by the organization's governing body and signed by a member of the organization's governing body.

Entities required to report under the Modern Slavery Act must also complete Public Safety Canada's [online questionnaire](#), which collects information that responds to the Modern Slavery Act's reporting requirements and is the mechanism for submitting an annual report to Public Safety Canada. An entity's responses to the questions in the online questionnaire must be consistent with the information set out in its Annual Report.

On March 10, 2025, Public Safety Canada published additional guidance and clarification to assist businesses with meeting their requirements under the Modern Slavery Act. [Click here](#) to access this information.

Conclusion

The [ESG & Sustainability Group](#) and [Workplace Law Group](#) at Aird & Berlis LLP support clients in meeting their obligations under Canada's Modern Slavery Act. [Click here](#) to read our previous article detailing reporting requirements and obligations.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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