

Understanding the Supply Chain Act

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* aims to combat forced labour and child labour in Canadian supply chains. Being Fairtrade certified can significantly reinforce businesses' efforts to comply with this act while fostering ethical and sustainable practices.

Who needs to submit a report?

- The Supply Chain Act applies to companies 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;
- Companies that meet at least 2 of these criteria must submit a report: 1) \$20 million or more in global assets 2) \$40 million or more in global revenue 3) 250 or more employees globally;
- All companies listed on a Canadian Stock Exchange must submit a report whether they meet two out of three criteria or not.

What must be included in the report?

- The company's structure, activities, and supply chains;
- Policies and due diligence processes related to forced labor and child labour;
- The risks of forced labour or child labour within the supply chain (consult our [Risk Map](#));
- Measures the company has implemented to evaluate and address such risks;
- Any actions undertaken to address the income loss experienced by the most vulnerable families due to efforts aimed at eradicating the utilization of forced labour or child labour in the company's operations and supply chains;
- Employee training regarding forced labour and child labour;
- Evaluation methods utilized to gauge the effectiveness of efforts in preventing the use of forced labour and child labour within the entity's business operations and supply chains.

Follow the [guidelines](#), as outlined by the Ministry

Important dates

The Supply Chain Act came into effect on January 1, 2024

The first report is due May 31, 2024, and must reference the activities undertaken during the entity's previous financial year

A report will be due every year thereafter

About the report

An online questionnaire needs to be completed in addition to submitting the report

Submitted reports will be available in a public searchable [online catalogue](#)

Reports cannot exceed 10 pages in length (or 20 pages if bilingual)



How can Fairtrade support businesses?

Is your company certifying products with Fairtrade? That information can be included in your report as an action you're taking to help prevent forced labour and child labour in your supply chains as we bring fair due diligence to the core of our work with our [Standards](#), [resources](#), [Fairtrade Minimum Prices](#), Fairtrade Premium, and [business services](#).

More Fairtrade resources

[Fairtrade Risk Map](#)

[Build your company's due diligence with Fairtrade](#)

[How Fairtrade sourcing supports your company's HREDD efforts](#)

[A simple HREDD guide for small and micro companies](#)



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Not Fairtrade certified yet?

[Reach out](#) to our team now – we'll assess your specific needs and help you create the path to a sustainable supply chain.

