



On Guard Against Forced Labour: Canada's Modern Slavery Act

Effective January 1, 2024, the [Fighting Against Forced Labor and Child Labor in Supply Chains Act](#) (commonly known as the Canadian Modern Slavery Act or CMSA) introduces rigorous multi-tier supply chain reporting requirements on a broad array of companies operating in Canada. Like the US' Uyghur Forced Labor Prevention Act (UFLPA), this new law requires that firms acquire dynamic, multi-tier visibility over their supply chains.

Read on to see how the Altana Atlas helps Canadian and foreign firms remove forced labour from their supply chains and collect the information they need to stay compliant.

Complying with Canada’s Modern Slavery Act

On January 1, 2024, the Fighting Against Forced Labor and Child Labor in Supply Chains Act (commonly known as the Canadian Modern Slavery Act or CMSA) took effect. Like the US’ Uyghur Forced Labor Prevention Act (UFLPA), the new law requires firms to understand, report on, and take action against risks of forced labour within their extended supply chains. For firms operating in Canada, multi-tier supply chain visibility of the type provided by the Altana Atlas will be crucial for compliance.

What Is Required Under the CMSA?

In line with its obligations under the United States-Mexico-Canada Agreement (USMCA), Canada has enacted the CMSA as its first piece of modern slavery legislation. Under this new law, companies will be required to file annual, public reports with the Canadian Minister of Public Safety and Emergency Preparedness, beginning as early as Spring 2024. Reports must detail the modern slavery risks faced by the organization in its extended supply chain, and also must discuss efforts being undertaken to safeguard the company.

Who Must Comply?

The CMSA applies to all entities that are listed on a Canadian stock exchange. It also applies to any entity that “has a place of business in Canada, does business in Canada or has assets in Canada” and that meets at least two of the following criteria, based on their consolidated financial statements for the two most recent financial years:

Any listed Canadian company

or one of

\$20 million+

CAD in assets

\$40 million+

CAD in revenue

250 employees+

employed on average

What Must Companies Report About Their Extended Supply Chains?

The CMSA mandates that covered companies submit an annual report, which must include:

- ▶ The business' structure, activities and supply chains;
- ▶ The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk;
- ▶ Any measures taken to remediate any forced labour or child labour;
- ▶ How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.



What Are the Penalties?

The CMSA authorizes fines of up to \$250,000 CAD for failing to publish an annual report and for failing to assist in an investigation. Similar fines can be imposed in the event of any knowingly false or misleading statements. Liability can attach not only to companies, but also to directors, officers, and agents who participate in any violation of the act.

What Firms Need To Know To Comply With the CMSA – And How Altana Can Help.

The CMSA introduces rigorous obligations for firms to understand and manage their extended supply chains. But [fewer than 2% of executives understand](#) the location and risks of partners in their supply chain beyond three tiers, and most firms are not prepared for compliance. Gathering data through supply chain “mapping” is yesterday’s solution – it’s slow, expensive, inaccurate, and out of date as soon as it’s compiled.

Complying with the CMSA – as well as other major supply chain legislative initiatives – requires a different approach. Altana is the only dynamic, intelligent map of the global supply chain, designed to bring multi-tier trade visibility and advanced analytics directly to leaders in supply chain, human rights, sustainability, procurement, and compliance.

Fewer than 2% of executives understand the location and risks of partners in their supply chain beyond three tiers





Connect to the Only Dynamic Map of the Global Supply Chain – Seamlessly and Securely

Altana's Atlas is a dynamic, canonical map of the global supply chain, illustrating in real time the flow of goods between 470 million companies connected by more than 3 billion shipments of goods. With the Atlas, you can:

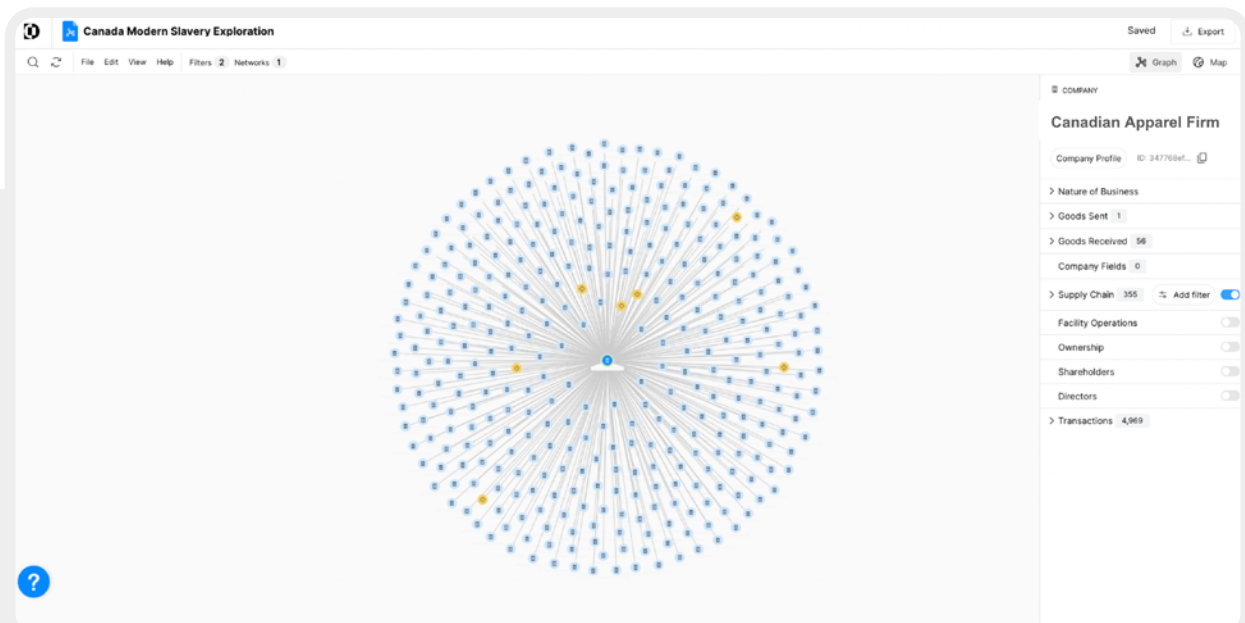
- ▶ See how your operations fit within the map of the global supply chain. The Atlas is the world's largest, and only dynamic, intelligent global supply chain map, including billions of transactions unavailable through any other supply chain visibility provider because of Altana's proprietary data;
- ▶ Use AI-powered analytics to surface relevant supply chain behavior, including forced labour exposure, supplier bottlenecks, and geopolitical risk – no matter how many tiers the activity is removed from your own operations;
- ▶ Collaborate, communicate, and report on your operations with tools that enable real-time information sharing and communication with suppliers and regulators.

Analyze and Interact With Your Supply Chain in Real Time

The Atlas connects enterprises, governments, and logistics providers with a common operating picture of the global supply chain, empowering them with AI and collaborative tools to build and maintain trusted value chain networks.

With the Atlas, firms can better understand their extended supply chains, pinpoint risk in their operations, and ensure compliance with emerging forced labour regulations such as the CMSA.

For instance, within a few clicks, the Atlas can trace back the extended supply chain of a well-known Canadian subsidiary of a multinational apparel company, showing first and second-tier trading connections to entities tied to forced labour in Xinjiang.

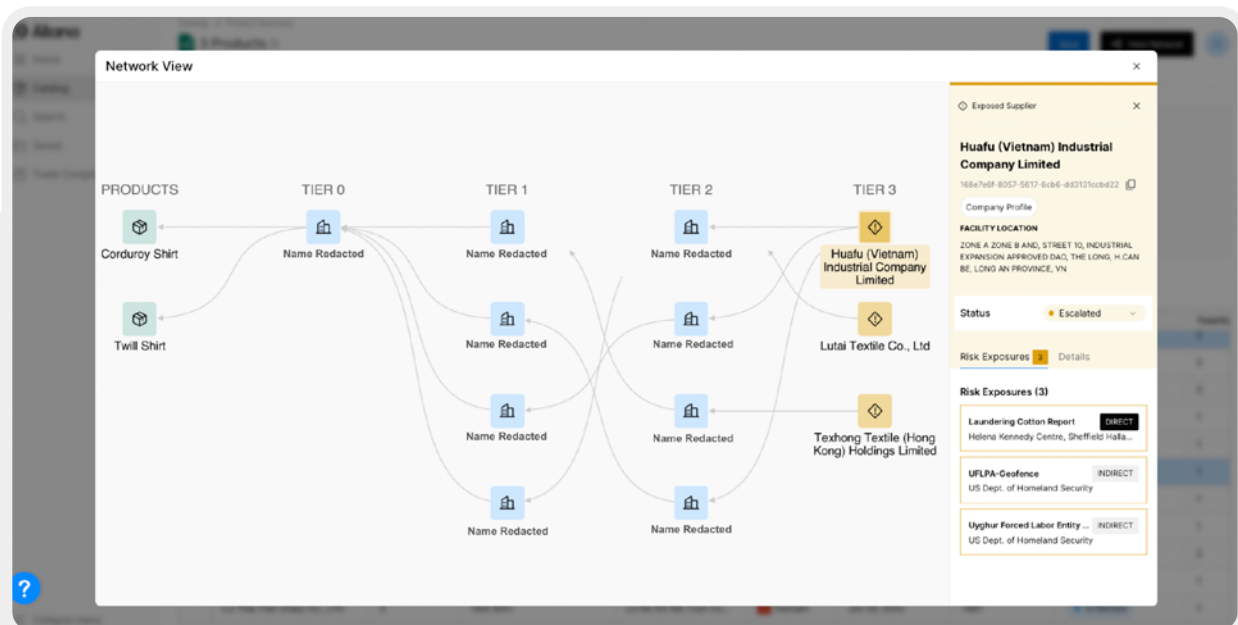


The Atlas network visualization suite, showing a Canadian apparel brand's first tier trading connections. Trading partners with ties to forced labour in Xinjiang are highlighted as yellow nodes.

Move From Knowledge to Action

Armed with knowledge of the risks in its supply chain, this Canadian enterprise can then use Altana's suite of supply chain visualization tools to better understand and address exposures. For instance, the Product Catalog view allows users to quickly understand potential exposures on a product level, empowering them to tailor their supply chain management to national-level regulations, such as the CMSA. With the Atlas, users can:

- ▶ Ensure that their goods remain untainted by forced labour, sanctions risk, tariff violations, and other trade compliance issues;
- ▶ Stay compliant globally with custom risk, tariff, and ownership analytics — no matter where they trade;
- ▶ Engage with trading partners to ensure that relevant documentation and information flows upwards to ensure compliance.



The Atlas Product Catalog displays the trading network for a product of interest, giving companies visibility into risks at the level of individual goods and shipments. Tailored analytics allow users to stay compliant around the world – no matter where and what they are trading.



To comply with the CMSA, you need a map;
[you need the Altana Atlas.](#)

The CMSA imposes new requirements for visibility deep into multi-tier supply chains for a significant number of firms operating in Canada. Canada is not the first jurisdiction to impose a multi-tier supply chain reporting requirement, and it certainly will not be the last. From forced labor to deforestation, and from carbon to critical minerals – when you need multi-tier visibility, you need The Altana Atlas – the only dynamic, intelligent map of the global supply chain.

To learn more about bringing AI-powered visibility of your multi-tier supply chains to your business, [get in touch.](#)