

## Enserva Member Brief

# Bill S-285 | An Act to Amend the Canada Business Corporations Act (purpose of a corporation)

September 18, 2024

### Overview

[Bill S-285](#), introduced by Senator Miville-Dechêne on May 23, 2024, seeks to amend the [Canada Business Corporations Act](#) to redefine corporate responsibilities towards societal and environmental considerations, making them central to a corporation's purpose.

The proposed amendments require corporations to pursue their best interests while operating in a way that:

- Benefits wider society and the environment in a manner proportionate to their size and the nature of their operations.
- Minimizes harm to society and the environment, with the objective of eliminating such harm.

Additionally, this bill introduces new requirements for annual reporting on societal and environmental impacts, reflecting a broader regulatory trend impacting industry.

The proposed changes would affect corporations incorporated under federal legislation.

### Status

Bill S-285 is at the [First Reading](#) stage in the Senate. Should it pass through all Senate stages, it will proceed to the House of Commons for further consideration.

### Provisions of Note

1. Purpose of Corporations:
  - Corporations must align their operations with societal and environmental benefits while working towards minimizing harm.
2. Duties of Directors and Officers:
  - Directors and officers must act honestly and in good faith, pursuing the corporation's best interests while ensuring it operates to benefit society and the environment.
3. Annual Reporting Requirements:
  - Corporations must report their societal and environmental impacts at annual shareholder meetings. Reports must adhere to prescribed third-party standards and be accessible to shareholders and the public.
4. Board Composition and Compliance:
  - Boards must ensure compliance with new standards, focusing on minimizing harm to society and the environment.

## Path Forward

Enserva does not anticipate Bill S-285 advancing quickly through the legislative process, however, we will closely monitor its progress. This bill is seen as part of a broader trend toward imposing additional restrictions on the private sector, impacting the competitiveness of Canadian firms. Enserva will continue engaging with federal officials and will prepare a strategy to oppose or seek amendments to the bill if necessary.