



# Bill S-211: From Reporting to Real Impact

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Public Safety Canada Findings & What Comes Next

Why compliance is not enough – and where organizations must evolve

March 25, 2026



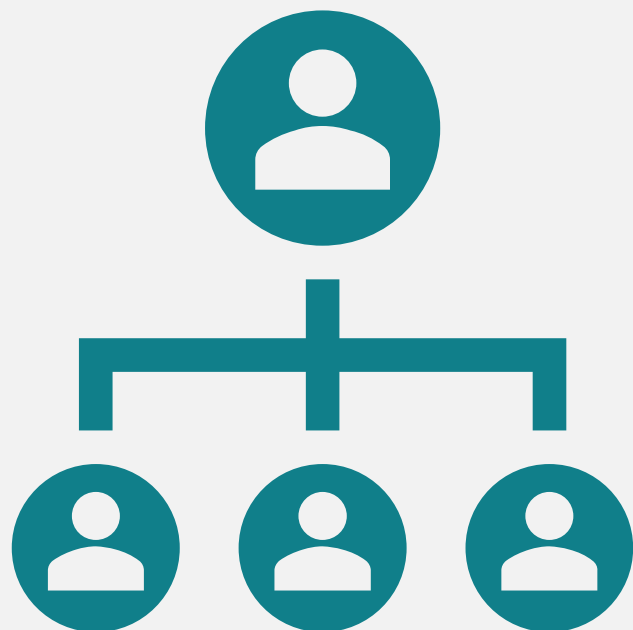
Wherever business takes you

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# Polling Question #1





Entity means a corporation or a trust, partnership or other unincorporated organization.

## To whom does this apply?

- An entity involved in manufacturing, producing, growing, extracting or processing goods in Canada or elsewhere or in importing goods manufactured, produced, grown, extracted or processed outside Canada.
- An entity **controlling** an entity engaged in any activity described above.

# Public company vs. private enterprise



## Public company:

If listed on a stock exchange in Canada, the entity **must report regardless of size.**



## Private enterprise:

Has a place of business in Canada, does business in Canada or has assets in Canada and that, based on its consolidated financial statements, **meets at least two** of the following conditions for at least one of its two most recent financial years:

- Has at least **\$20 million in assets;**
- Has generated at least **\$40 million in revenue;** and
- Employs an average of at least **250 employees.**

# What needs to be reported?



Report to the Minister on the **steps the entity has taken** during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at **any step of the production of goods in Canada or elsewhere** by the entity or of goods imported into Canada by the entity.

# Polling Question #2



# Canada Has Momentum – But Not Yet Impact

## But a Clear Maturity Gap Exists

### Reporting ≠ Risk Management

44.2% identified forced labour risks · 39.2% had started the process of identifying risk · 16.6% haven't started

### Policies ≠ Performance

84.1% have policies · Limited Tier 1 visibility · "Unknown risk" common

### Activity ≠ Outcomes

76% review/audit · 36.6% work with suppliers · Only 37.4% track relevant KPIs

### Training ≠ Capability

61.7% provide training · Only 37.8% mandatory for all employees



Key Insight: Canada lacks commitment and infrastructure for impact.



4,313

Reports received by May 31, 2025



5,176

Reports Received by July 2025



135

Submitted by Government Institutions



4,178

Submitted by Entities



79.5%

Canadian-based Entities

# High Compliance. Low Maturity.

What Public Safety Canada Found

Widespread Adoption of:

Policies and Codes of Conduct

Supplier Expectations

Limited Evidence of:

Deep Supply Chain Visibility

Measurable Risk Reduction

Operationalized Controls



Key Insight: Compliance-driven, not risk-driven

# Where Reporting is Falling Short

## Core Systemic Gaps

### Over-reliance on Policies vs. Actions

Organizations document intent but fail to demonstrate execution

### Superficial Risk Assessments

High-level descriptions without operational depth

### Limited Supplier Mapping

Tier 1 only - upstream risks remain invisible

### Undefined Due Diligence

No standard methodologies or repeatable procedures

### Minimal Effectiveness Testing

No KPIs, KRIs, or testing frameworks in place



### Key Insights:

1. Weak foundation for real impact.
2. Lacking specificity to suppliers, products, or geographies.
3. Risks are described in isolation without comparative ranking.
4. Risks are described – not managed.

# The Biggest Blind Spot

## Supply Chain Visibility Gap

1

Tier 1 Suppliers

Focus area for most organizations - direct relationships only

2

Inquiry Only

Use of supplier questionnaires or inquiry – reliance on qualitative responses with no investigation or follow-up

3

Tier 2 & Tier 3+

Minimal upstream visibility - high-risk jurisdictions and goods largely unknown



**Key Insight:** The highest risks remain unseen.

# Polling Question #3



# Processes Are Not Yet Built to Scale

## Due Diligence Weakness

### Due Diligence Is Often:

Informal: Ad hoc rather than systematic

Inconsistent: Varies across business units and entities

Poorly documented: No audit trail or evidence trail

### Lack of:

Standard Methodologies

Risk-Based Approaches

Repeatable Procedures



**Key Insight:** Described processes ≠ operational systems.

# The Most Critical Missing Piece

## Effectiveness Testing Gap

Very few organizations can demonstrate the following:



Whether actions  
reduce risk

How controls are  
working



Key Insight: No defined KPIs/KRIs; lack of formalized testing methodologies.

# Activity Without Measurable Impact

## Training & Governance Gaps

### Training Widely Reported - But:

No Evidence of Behaviour Change  
Training completion tracked, outcomes are not.

No Evidence of Risk Reduction  
Inputs are measured, impact is not

### Governance Gaps:

Weak Oversight  
Board and executive accountability structures are underdeveloped.

Limited Accountability  
No clear ownership of outcomes.



**Key Insight:** Inputs are tracked - outcomes are not.

# Polling Question #4



# Limited Transparency on Real Issues

## Remediation Gap

**91%** of organizations reported remediation questions did not apply - they found no forced labour or child labour in their activities or supply chains

### Under-Detection

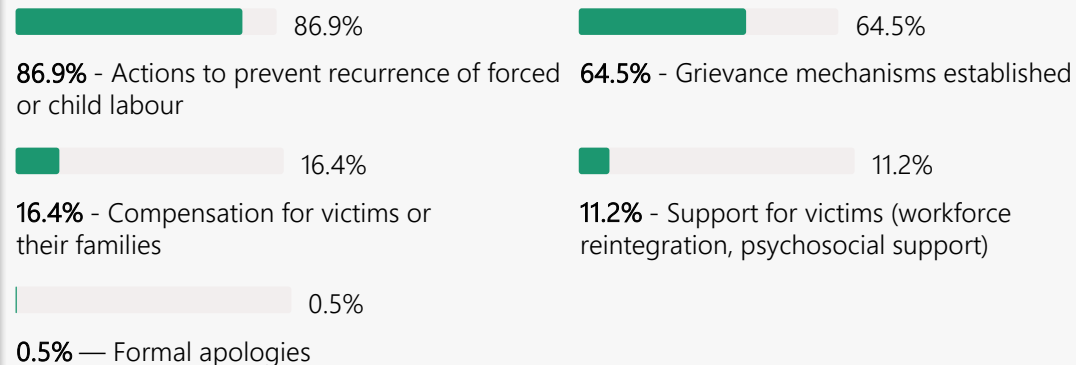
Organizations are not finding what is there

### Reluctance to Disclose

Organizations are finding but not reporting

Of Those Who Did Remediate:

211 entities and 3 government institutions took action



## The Human Reality Behind the Numbers

**50M**

people in modern slavery globally (2021)

- 27.6M in forced labour
- 22M in forced marriages

Source: ILO / Walk Free Global Slavery Index 2021

**~69,000**

Canadians estimated to experience modern slavery conditions

## Police-Reported Human Trafficking in Canada (2014–2024)

**5,000+**

Incidents reported to Canadian police

**93%**

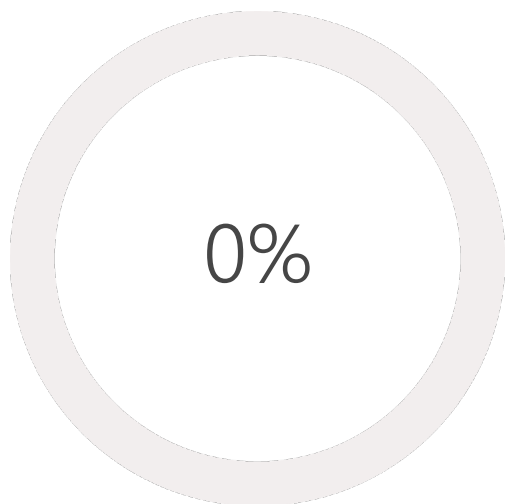
of victims were women and girls

**22%**

of victims were age 17 or younger

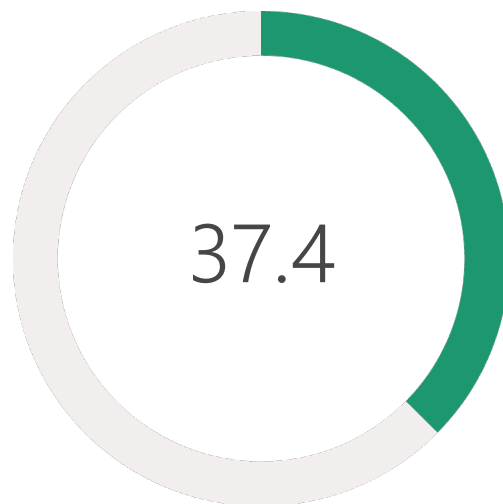
# What Gets Measured Gets Managed - But Nothing Is Measured

Limited Performance Tracking



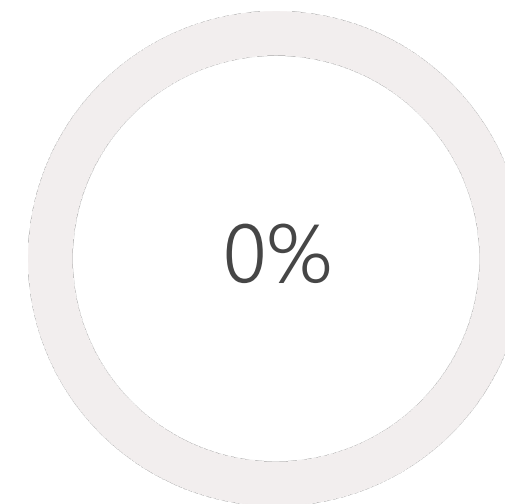
Organizations with Clear Targets

No defined performance targets reported



Organizations with KPIs

No key performance indicators established



Year-Over-Year Progress

No baseline or trend data to demonstrate improvement



Key Insight: No line of sight to impact — limited ability to demonstrate improvement.

# From Disclosure to Accountability

## Regulatory Shift Underway

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1

### Phase 1 - Completed

- Awareness
  - Participation
  - Basic reporting
- 

2

### Phase 2 - Emerging

- Evidence of effectiveness
  - Risk-based frameworks
  - Measurable outcomes
- 



Key Insight: Enforcement will follow maturity.

# Six Required Shifts

What PSC Expects Next

1

Policy → Proof

3

Generic → Risk-based due diligence

5

Static → Continuous improvement

2

Tier 1 → Full supply chain visibility

4

Activity → Effectiveness measurement

6

Disclosure → Governance & accountability

# Canada's Gap Is Infrastructure - Not Intent

## The Real Issue



### Data Systems

Organizations lack the data infrastructure to track, map, and monitor supply chain risk at scale.



### Testing Frameworks

Limited mechanisms to validate whether controls are working or risk is being reduced.



### Risk Methodologies

Inconsistent standardized frameworks for identifying, scoring, and prioritizing forced labour risk.



### Integrated Governance

Accountability structures not embedded into enterprise risk and board oversight.



**Key Insight:** The issue is not effort — it's execution capability.

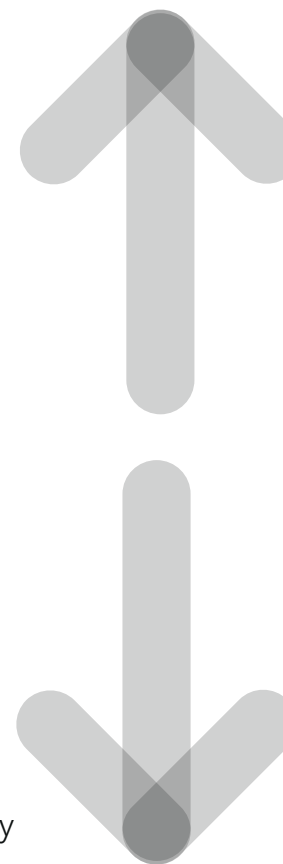
# Polling Question #5



# Where Organizations Can Lead

## Strategic Opportunity

-  **Build risk-based supply chain mapping**  
Extend visibility beyond Tier 1 to identify where real risk lives
-  **Implement due diligence frameworks**  
Standardize, document, and operationalize repeatable procedures
-  **Develop KRI dashboards & monitoring**  
Create measurable indicators to track risk reduction over time
-  **Introduce effectiveness testing (internal audit)**  
Validate that controls are working through independent review
-  **Align with ERM and governance structures**  
Embed forced labour risk into enterprise risk management and board accountability



*The role Internal Audit can play is in:*

- 1. Validating supply chain controls and due diligence processes.*
- 2. Testing effectiveness of mitigation actions.*
- 3. Assessing risk identification and measurement.*



**Key Insight:** Compliance → Competitive advantage.

# From Reporting to Real Impact

## Final Message



1

**The Foundation Has Been Built**  
Reporting has established baseline participation and awareness across industries

2

**The Expectations Are Rising**  
PSC is shifting focus from disclosure to evidence of effectiveness and accountability

3

**The Gap is Now Clear**  
Infrastructure - not intent - is what separates compliance from real impact



**Key Insight:** Organizations that build infrastructure will: 1) Reduce risk; 2) Strengthen compliance; and 3) Lead in responsible business.

# What Comes Next

## Call to Action

1

### Assess Current Maturity

Benchmark your organization's current state against PSC expectations and emerging best practices.

2

### Identify Gaps vs. PSC Expectations

Map where your reporting, due diligence, and governance fall short of the six required shifts.

3

### Build Infrastructure for Impact

Invest in data systems, risk methodologies, testing frameworks, and integrated governance.

4

### Embed into Enterprise Risk & Governance

Align forced labour risk management with ERM, internal audit, and board-level accountability.



**Key Insight:** The next phase is not about reporting - it's about proving it works.



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