Protecting your data: Your weakest link may be outside your firewall

October 09, 2025

*This article is part of BLG's 12-part series: **12 Strategic Priorities for Privacy, Cybersecurity, and AI Risk Management**. The series helps Canadian companies focus on key oversight areas that drive resilience, accountability and regulatory readiness.*

Third-party vendors, service providers, and cloud platforms are essential to today's business models. But they also represent one of the most significant cybersecurity risks. A single weak link can lead to a serious breach, even if your own systems are robust.

Why it matters

Recent cyber incidents show that many breaches originate from vulnerabilities in third-party systems, not internal ones. This has triggered increased regulatory focus on supply chain risk, requiring companies to demonstrate rigorous third-party oversight.

Too often, vendor due diligence is front-loaded at the onboarding stage. Ongoing monitoring, contract enforcement, and internal accountability are frequently overlooked. Yet these steps are essential to identifying risks as vendor relationships evolve.

What management and boards must prioritize

1. Ongoing monitoring and risk assessment

Vendor risk assessments cannot be one-and-done. Organizations must implement recurring reviews, penetration testing, and audits, especially for critical service providers.

2. Contractual safeguards

Vendor agreements should include clear clauses on cybersecurity standards, incident notification timelines, audit rights, and the right to terminate the relationship in the event of a breach or non-compliance.

3. Internal accountability

There must be a designated internal team or role responsible for vendor risk management. Boards should ensure there is governance structure in place, with escalation protocols if issues arise.

Final thoughts

You can delegate a task, but you cannot delegate responsibility. Boards must ensure third-party risk is integrated into the enterprise risk management framework, and treated with the same diligence as internal risks.

By

Hélène Deschamps Marquis

Expertise

Cybersecurity, Privacy & Data Protection, Artificial Intelligence (AI)

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary
Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa
World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver
1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal
1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from

BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.