Tracking progress in modern slavery reporting: Insights from Public Safety Canada's 2025 annual report

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Canadian businesses are enhancing their approaches to preventing and reducing the risk that forced or child labour is used in their activities and supply chains by taking additional steps to assess and manage those risks.

Public Safety Canada's 2025 annual report to Parliament on the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act)[1] provides insights into the risks of forced or child labour that reporting entities have identified in their activities and supply chains, as well as the steps they have taken to address these risks. The data contained in the report to Parliament is in respect of reports submitted during the second reporting cycle, which ended on May 31, 2025.

In this article, we provide a few notable data-driven observations and trends derived from the report to Parliament that may assist your organization in establishing or enhancing its practices to reduce the risk of forced and child labour in its activities and supply chain.

Key takeaways

- The overall positive trend in risk identification, assessment, and management by reporting entities in the 2025 reporting cycle demonstrates that reporting entities have made meaningful progress and built on lessons learned in the 2024 reporting cycle.
- Canadian businesses and other reporting entities are increasingly implementing a diverse set of measures to identify, prevent, and combat the risk of forced or child labour in their supply chains.
- In assessing internal supply chain and compliance measures before financial year-end, and in preparation for the 2026 reporting cycle, it is important for organizations to assess how their current measures compare to the market, based on the trends identified in Public Safety's report.
- Similarly, businesses should be cognizant that Public Safety Canada's approach to enforcement could change at any time through the introduction of corrective measures and penalties.

Reporting by entities

Public Safety Canada's implementation strategy in the 2025 reporting cycle focused on stakeholder engagement, refining the report intake process, and expanding outreach. Its stated goal was to promote compliance with the Act by increasing awareness of reporting requirements and supporting entities to improve the quality of their reporting. In furtherance of this goal, Public Safety Canada issued updated guidance in November 2024, as well as a new template on *International Reporting on Modern Slavery, Forced Labour and Child Labour* in September 2025. You can read BLG's analysis of these measures at the time:

- Better guidance equals better reporting: Navigating the Supply Chains Act for year 2 reporting, November 2024
- One template, three jurisdictions: New guidance on modern slavery reporting in Canada, Australia, and the UK, September 2025

The 2025 reporting cycle saw a significant decrease in the number of entities that submitted reports under the Act. Public Safety Canada received just 4,313 reports from reporting entities and government institutions in 2025, down from 5,795 reports in 2024. This is likely due to the updated guidance, which clarified that entities solely involved in distributing or selling goods are exempt from reporting. There was also a slight increase (3 per cent) in joint reporting by entities belonging to the same corporate group.

Trends in the measures to combat forced and child labour

The 2025 reporting cycle saw a significant shift in the nature of steps taken by entities to prevent and reduce the risks of forced and child labour in their activities and supply chains. In 2024, the most common steps taken by entities to assess and manage these risks were conducting internal assessments, and developing and implementing due diligence policies and processes addressing forced or child labour. Other reported steps focused on information gathering and risk assessment (such as developing codes of conduct and monitoring suppliers).

In 2025, by contrast, 96.6 per cent of reporting organizations (almost all of which were entities rather than government institutions) reported that they had actually embedded responsible business conduct into their policies and management systems. The report to Parliament identifies that entities subject to the Act are increasingly adopting measures to identify, prevent, and combat the risk of forced and child labour in their supply chains:

- 83.4 per cent of entities reported having either identified or begun the process of identifying the parts of their activities and supply chains that carry a risk of forced or child labour being used, an increase from 77.6 per cent in 2024.
- 84.1 per cent of entities reported having policies and due diligence processes related to forced or child labour, an increase from 71.3 per cent in 2024.
- 61.7 per cent of entities reported providing training to employees on forced or child labour, up significantly from 43.7 per cent in 2024. Of the entities that had implemented such training, 92.8 per cent indicated that training was mandatory

for at least some of its employees and 37.8 per cent being mandatory for all employees.
- 51.2 per cent of entities reported having policies and procedures in place to assess their effectiveness in ensuring that forced and child labour are not being used in their activities and supply chains, an increase from 43.5 per cent in 2024.

Other notable steps taken by entities and government institutions in the 2025 reporting cycle included to combat forced or child labour and assess their effectiveness in doing so included:

- Setting up a regular review or audit of the organization's policies and procedures related to forced and child labour (75.9 per cent).
- Identifying and assessing potential and actual adverse impacts in their operations, supply chains, and business relationships (49.8 per cent).
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms, and numbers of contracts with anti-forced and -child labour clauses (37.3 per cent).
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators (36.5 per cent).
- Ceasing, preventing, or mitigating potential and actual adverse impacts of forced or child labour (34.3 per cent).

Overall, the 2025 reporting cycle marks a clear progression from policy development to more concrete, embedded practices, with a growing number of entities actively implementing, monitoring, and assessing measures to address the risks of forced and child labour across their operations and supply chains.

Enforcement trends

The report to Parliament notes a slight increase in the submission of late reports in 2025. While Public Safety Canada's focus remained on increasing industry awareness and transparency regarding the risk of forced and child labour in supply chains, and accordingly did not take any formal enforcement action under the Act against late or non-compliant reports, we caution organizations that this approach may not continue into the next reporting cycle. This is particularly plausible in light of the fact that Public Safety Canada must report annually to Parliament on its enforcement efforts.

Although the previous government announced in its 2024 Fall Economic Statement its intention to introduce mandatory supply chain due diligence legislation, to date, we have not seen any such legislation introduced. However, the Canada Border Services Agency (CBSA) has begun stopping shipments at the border that are suspected of being produced with forced or child labour, and this trend may well continue. In 2023 and 2024, over 50 shipments were stopped and CBSA has begun sending advisory notices to other importers to signal "potential concern," foreshadowing potential additional enforcement action.

BLG's International Business & Human Rights and International Trade and Investment teams will continue to monitor legislative developments relating to mandatory human rights due diligence, and provide further insights as more details become available.

Next steps

The deadline for reporting entities to submit their next report is **May 31, 2026**.

BLG can assist

Our team is well equipped to assist in preparing reports, developing robust human rights due diligence frameworks, and investigating issues that have been identified. Please reach out to any of the authors or key contacts below, or any lawyer from BLG's International Business & Human Rights group.

Footnote

[1] The 2025 Annual Report was tabled in Parliament on Sept. 26, 2025, and remains subject to change until approved and published on Public Safety Canada's website.

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