

How Canada's New Forced and Child Labour Law is Changing HR's Role in Corporate Accountability



When most HR managers think about compliance, their minds go to familiar places – employment standards, workplace policies, pay equity, or human rights legislation. But in 2024, a new kind of compliance duty landed in boardrooms across Canada, one that stretches far beyond the workplace floor.

It's not about wages, hours, or benefits. It's about where your products, materials, and even your uniforms come from – and who makes them.

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211), which came into force on January 1, 2024, is part of a global movement toward transparency and ethical sourcing. On the surface, it looks like a trade or procurement issue. In reality, it's a people issue – one that requires HR leaders to play a central role in aligning ethics, compliance, and corporate values.

The Global Problem That Sparked Canada's Law

According to the International Labour Organization, an estimated 27 million people are trapped in forced labour worldwide, and 160 million children are still engaged in child labour – roughly one in ten children on Earth. Many of the products Canadians buy every day – from coffee and cocoa to solar panels, construction materials, and electronics – are touched somewhere in the supply chain by workers who never had the freedom to say no.

A 2023 report by World Vision Canada found that Canadian imports from industries at high risk of forced or child labour totaled more than \$48 billion annually. For years, the public and advocacy groups called on the federal government to join other jurisdictions that already required companies to disclose the human rights risks behind their supply chains.

The result was Bill S-211 – a law that doesn't directly prohibit imports produced with forced or child labour (that's already covered under the Customs Tariff) but rather requires transparency. It forces organizations to publicly explain what steps they are taking to prevent and reduce the risk of forced or child labour in their operations and supply chains. The idea is simple but powerful: sunlight as a disinfectant. By making companies tell the truth, the government hopes to drive

change through public accountability and market pressure.

Who Has to Report – and Why HR Needs to Care

The Act applies broadly to any company or entity that produces, sells, or distributes goods in Canada or abroad, imports goods into Canada, or controls an entity that does. It captures listed companies on Canadian stock exchanges and private entities that meet two or more of the following thresholds in one of their last two financial years: at least \$20 million in assets, \$40 million in annual revenue, or 250 employees.

That means many mid-sized Canadian manufacturers, distributors, and retailers – not just multinational corporations – are suddenly subject to a reporting regime similar to those in the UK and Australia. Even if your organization falls just below the threshold, investors, customers, and employees increasingly expect the same transparency.

And HR sits right in the middle of that expectation. You might not control the procurement process, but you do control the policies that shape company culture, the training that educates staff, and the ethical framework that determines how your organization treats workers – both at home and throughout its extended network of suppliers.

The Reporting Obligation: More Than a Box to Tick

By May 31 each year, every covered organization must submit a detailed public report to the Minister of Public Safety. The report must describe the organization's structure, activities, and supply chains; its policies and due-diligence processes; the risks of forced or child labour in those operations; any remediation measures; employee training; and the methods used to measure effectiveness.

It's not enough to say "we comply." Each report must be approved by the board of directors and certified for accuracy – which means the board takes legal responsibility for its contents. The report must then be posted publicly on the company's website, where journalists, investors, and customers can read it.

In short, the law forces organizations to speak on the record about their values – and back those values up with evidence.

When Good Intentions Aren't Enough: Lessons from Early Filers

Because 2024 was the first year of mandatory reporting, Canadian companies had to build their reporting processes from scratch. The government published a searchable online registry, making it easy to see who complied, who didn't, and what those reports looked like.

Several patterns quickly emerged.

Some firms treated the report as a perfunctory PR exercise, producing short, generic statements that said little more than "we support human rights." Others copied templates from foreign jurisdictions without adapting them to Canadian requirements. Still others missed the filing deadline entirely.

The Public Safety Canada review of the first reporting cycle noted that many organizations failed to include measurable indicators, training details, or specific

remediation actions. The issue wasn't malice – it was unfamiliarity. HR and compliance leaders had never had to map their supply chains this way before.

Real-World Illustrations: When Supply Chains Go Wrong

To understand why the law matters, consider what happens when companies don't look deeply enough.

In 2022, an Ontario-based construction supplier discovered that one of its overseas subcontractors was using migrant workers whose passports had been confiscated until they repaid "recruitment fees." The Canadian company hadn't known – it had only verified the main contractor's documentation. When the story broke, the company wasn't fined (because there was no law yet), but it lost major contracts with public agencies and faced boycotts from clients demanding ethical sourcing.

A year later, a Canadian retailer was publicly named in a global watchdog report linking several fashion brands to factories in Bangladesh where children under 14 were sewing garments. The retailer hadn't directly contracted those factories; they were two layers down its supply chain. But under Bill S-211, "not knowing" would no longer be acceptable.

Even large corporations have stumbled. In Australia, one of the early countries to implement a Modern Slavery Act, researchers found that almost half of all first-year reports failed to meet legal requirements, largely because organizations didn't understand how to map risks or describe remediation. The lesson for Canadians is clear: transparency laws are about more than paperwork – they force companies to look honestly at the human consequences of their business models.

The HR Dimension: Turning Compliance into Culture

For HR managers, the new law can feel far removed from day-to-day responsibilities. But the connection is closer than it seems.

Forced and child labour exist because vulnerable people lack safe employment pathways. Ethical recruitment, fair wages, and decent working conditions are the antidote – and HR policies shape all three.

Within your own organization, HR ensures employees are hired transparently, paid fairly, and trained about their rights. But now, that responsibility extends outward. The company's reputation depends on how it influences the employment practices of its suppliers. If HR doesn't champion those standards, no one else will.

That means HR's role expands from compliance to corporate conscience. You become the translator between legal requirements, operational realities, and human impact.

How HR, Procurement, and Legal Must Collaborate

In many companies, compliance with Bill S-211 will require cooperation across departments that rarely collaborate. Legal teams understand liability, procurement teams know the suppliers, and HR understands people and culture.

One Canadian food-processing company learned this the hard way. When preparing its first report, procurement gathered data on supplier contracts, while HR prepared a section on training. No one coordinated the content, and the final document included contradictory information about audit procedures. The board refused to certify it until the two departments worked together. That delay nearly caused a missed

deadline.

In contrast, another firm in Alberta built a cross-functional “Human Rights Task Force” led jointly by HR and supply-chain management. The task force mapped supplier tiers, developed a shared code of conduct, and created a training module for all employees. Their first report was cited by NGOs as a model of clarity. The difference wasn’t budget or size – it was collaboration.

Common Pitfalls in the First Reporting Year

The first wave of reports revealed a few recurring missteps:

Treating it as a legal formality rather than a living process. Many companies wrote their report once and moved on. But transparency is iterative. Risks change, supply chains shift, and employee understanding deepens over time.

Underestimating the training element. The Act explicitly asks organizations to describe employee training. Simply stating “training is provided” is not enough. HR departments that integrated this topic into onboarding or annual ethics courses stood out positively.

Neglecting indirect suppliers. Forced and child labour often occur several layers down the chain – in subcontracted factories or farms. Reports that only mentioned first-tier suppliers left major blind spots.

Ignoring board engagement. Because board approval is required, some HR leaders found themselves presenting human-rights risk assessments to directors for the first time. Those who treated it as an education opportunity built valuable allies; those who minimized it faced scrutiny.

Copy-and-paste reporting. The registry is public. Stakeholders can easily compare reports. Companies that recycled generic text risked appearing indifferent or deceptive.

Enforcement, Liability, and the “Court of Public Opinion”

Technically, the penalties for non-compliance are moderate – fines of up to \$250,000 for failing to report, for making false or misleading statements, or for ignoring ministerial orders. But the real consequences are reputational.

Because the reports are published online, civil-society organizations and journalists can instantly see who filed, who didn’t, and how credible each submission appears. The “court of public opinion” is swift. For consumer-facing brands, one viral article or NGO campaign can undo years of marketing investment.

Directors and officers are also personally liable for offences under the Act. That’s another reason HR should insist on rigorous accuracy before the board signs off.

How Other Jurisdictions Have Shaped Best Practice

Canada isn’t alone. The United Kingdom’s Modern Slavery Act 2015 pioneered the idea of mandatory disclosure. Australia followed in 2018, California in 2010, and the European Union is finalizing its Corporate Sustainability Due Diligence Directive, which goes even further by requiring companies to prevent human-rights abuses, not just report on them.

In each country, the early years brought similar learning curves. A University of Nottingham study of UK companies found that after three years, only 22 percent of statements demonstrated genuine risk analysis; the rest were generic. But over time, the public registry and NGO scrutiny pushed quality upward. The same pattern is now starting in Canada.

The message for HR professionals is encouraging: improvement comes with transparency. When organizations start measuring and discussing these risks, their culture changes.

Case Study: Learning from the Fashion Industry

Few sectors illustrate the challenge better than apparel. The global fashion industry depends on vast networks of contractors and piece-rate workers, many in regions where labour laws are weak.

In 2021, an international coalition of journalists revealed that some suppliers to well-known brands in Xinjiang, China, were using coerced Uyghur labour. Several global retailers publicly cut ties and pledged to audit their supply chains. One Canadian company, which had imported cotton products through intermediaries, launched an internal review led jointly by its HR and sustainability teams.

They discovered that while their direct supplier had signed an ethical-sourcing declaration, it relied on a fabric mill linked to the region. The company immediately diversified sourcing and began requiring third-party verification of origin. In its first Bill S-211 report, the HR director wrote candidly about that experience, acknowledging the difficulty of tracing materials and outlining steps taken to improve oversight. Rather than being criticized, the company was praised for honesty.

Transparency, it turns out, earns trust even when the story isn't perfect.

Building Internal Awareness: HR's Educational Role

For HR departments, one of the biggest challenges is bringing employees into the conversation. Factory auditors and procurement officers may understand the technical aspects, but most staff don't realize that their everyday decisions – from choosing a promotional-item supplier to approving a travel vendor – can have human-rights implications.

The companies doing this well approach it like any culture-change initiative. They start with storytelling.

One Toronto-based logistics company began its training program by sharing the story of Evelyn, a 13-year-old in the Philippines who was forced to pick cocoa beans for a global supply chain. They connected Evelyn's experience to their own corporate chocolate gifts, asking employees to imagine whether the cocoa in those treats was ethically sourced. The emotional impact transformed engagement; compliance training became personal.

HR's strength lies precisely here – in connecting policy to people.

The Canadian Context: Federal and Provincial Coordination

Bill S-211 is federal, but its impact ripples into provincial employment frameworks. For example, Ontario's Pay Transparency Act and British Columbia's new pay-equity and transparency laws already require companies to disclose salary information in job

postings. Together, these laws push organizations toward broader ESG (Environmental, Social, and Governance) accountability.

At the same time, provincial procurement agencies increasingly require bidders to demonstrate ethical sourcing. In other words, even if your company is below the federal threshold, you may need equivalent policies to compete for public contracts.

What the Next Five Years Will Bring

Experts predict that within a few years, Canada will tighten the law to include mandatory human-rights due diligence, mirroring the EU's approach. That would shift the obligation from disclosure to prevention – meaning companies could face legal liability if they fail to act on known risks.

Forward-thinking HR leaders are already preparing. They are embedding ethical-sourcing questions into recruitment, aligning supplier-diversity programs with anti-exploitation standards, and ensuring that board discussions of ESG performance include human-rights metrics alongside carbon emissions and gender equity.

Turning Policy into Practice: A Practical Framework for HR

So how can HR move from awareness to action without drowning in complexity?

Start with your own workforce. Review internal hiring, contracting, and onboarding practices to ensure that no worker – including temporary or migrant staff – could ever be vulnerable to coercion or recruitment fees. Then, work outward to suppliers, using existing relationships to start conversations about fair labour.

Rather than relying on checklists alone, think in terms of relationships and influence. Every purchase order or service contract is a touchpoint where your organization's values are expressed.

Here's how several Canadian companies are putting that into practice:

- A Vancouver-based construction firm requires every supplier to complete a self-assessment questionnaire on labour practices, followed by spot audits. HR leads the review process, ensuring that responses align with company policies on fair treatment and diversity.
- A Toronto retail chain integrated human-rights clauses into its collective bargaining agreements, recognizing that transparency is a shared responsibility between management and unions.
- A Quebec manufacturing group partnered with a non-profit that provides ethical-sourcing certification, using the program's training modules as part of its HR development curriculum.

Each example shows that compliance doesn't have to be bureaucratic – it can reinforce culture.

The Toolkit – Expanded Narrative Edition

To support HR managers in taking practical steps, the following framework adapts the essential elements of a compliance toolkit into a more conversational format you can tailor to your organization.

1. Crafting a Meaningful Supply-Chain Transparency Policy

A strong policy begins with a statement of principle, but it should also sound authentic. Avoid dense legal phrasing. Describe why your organization cares about human rights and what actions it commits to. For example:

“At [Company Name], we believe every person who contributes to our products or services deserves to work freely and safely. We oppose all forms of forced and child labour and are committed to identifying, preventing, and addressing these risks in our operations and supply chains.”

The policy should outline how the company assesses suppliers, how employees can raise concerns confidentially, and how progress will be measured. Once drafted, it must be endorsed by the board – not just approved quietly by legal counsel. Public endorsement signals that leadership takes the issue seriously.

2. Conducting a Human-Rights Risk Assessment

Risk assessment isn't a one-time audit; it's an ongoing conversation. Begin by mapping where your materials or services come from. If you don't know beyond your first-tier suppliers, that's a starting point. Use publicly available indices – such as the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor – to identify higher-risk regions or sectors.

Engage suppliers in dialogue rather than accusation. Many small suppliers want to improve but lack resources. Helping them build capacity can strengthen your partnership.

3. Integrating HR Training and Awareness

Training should do more than outline the law. Employees need to understand **why** forced labour happens and what red flags look like – such as workers paying recruitment fees, restricted movement, or inconsistent identification documents.

Some organizations include short, scenario-based videos or testimonies from NGOs. Others invite guest speakers who have worked with survivors of forced labour. HR can also weave these discussions into ethics workshops or onboarding sessions.

Document attendance and feedback; that data supports your annual report and shows regulators that training is substantive, not symbolic.

4. Responding When Issues Arise

Despite best efforts, you may uncover risks or incidents. The worst response is silence. The Act encourages transparency, not perfection. If a supplier is found using underage workers, outline the steps you took – investigation, remediation, and future prevention – in your report.

In one notable case, a Canadian food importer discovered that a subcontracted farm in South America employed minors during harvest season. Instead of cutting ties abruptly, the company worked with local NGOs to provide schooling and alternative income for affected families. Their report detailed this process, earning praise from human rights organizations. The lesson: remediation, not denial, defines leadership.

5. Measuring and Reporting Progress

Bill S-211 doesn't prescribe a specific format, but your report should read like a genuine narrative, not a checklist. Include examples, data where possible, and reflection on what you've learned. If audits were conducted, explain how many, what they revealed, and what changed as a result.

Once the report is approved by the board, publish it prominently on your website. Consider hosting an internal town hall where HR explains the highlights to staff. Turning compliance into storytelling builds pride and accountability.

6. Strengthening the Culture of Accountability

Ultimately, laws like Bill S-211 succeed only if companies internalize them as part of corporate identity. HR is the natural steward of that identity. By embedding human-rights principles into recruitment, performance evaluations, and supplier relationships, HR can make ethical sourcing as routine as occupational health and safety or pay equity.

The Human Side of Compliance

It's easy to see this law as another administrative burden. But at its heart, it's about dignity – the same dignity HR protects within every Canadian workplace.

Imagine a 14-year-old stitching soccer balls in Pakistan or a migrant worker in Malaysia whose passport is locked in a factory drawer. Their lives are connected to ours through the invisible web of global commerce. Canada's new law asks companies to look at that web honestly and take responsibility for what they find.

In doing so, it also elevates HR's mission. Compliance becomes compassion made operational. Policies become promises.

When Canadian employers approach the Act with that mindset, they not only meet their legal obligations – they help redefine what responsible business looks like in the 21st century.

Final Word

The Fighting Against Forced Labour and Child Labour in Supply Chains Act is not just another regulation; it's a mirror. It reflects how deeply a company's ethics extend beyond its payroll. For HR professionals, it offers both a challenge and an opportunity – to weave human rights into the very fabric of the organization.

The companies that succeed will be those that see transparency not as a risk, but as a mark of integrity. And in a world where employees, investors, and consumers are watching, integrity may soon be the most valuable resource of all.