



**Federal Economic Development Agency for Southern
Ontario**

**Report on Fighting Against Forced Labour and
Child Labour in Supply Chains 2025–26**

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Fighting Against Forced Labour and Child Labour in Supply Chains Act – Annual Report (April 1, 2025 to March 31, 2026)

1. Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act) came into force on January 1, 2024. The purpose of this Act is to implement Canada’s international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations on:

- government institutions producing, purchasing or distributing goods in Canada or elsewhere; and
- entities producing goods in Canada or elsewhere or in importing goods produced outside Canada.

The Act stipulates that any government institution producing, purchasing or distributing goods in Canada or elsewhere must, on or before May 31 of each year, submit a report to the Minister of Public Safety. The report must detail the steps the government institution 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 produced, purchased or distributed by the government institution.

The Act’s reporting obligations also apply to entities producing goods in Canada or elsewhere or importing goods produced outside Canada.

In keeping with the purpose of the Act, the Federal Economic Development Agency for Southern Ontario (FedDev Ontario or the Agency) has prepared the following report to fulfill this reporting requirement.

2. Report Contents

2.1 Information on FedDev Ontario’s structure, activities and supply chains

FedDev Ontario's mandate is economic development in southern Ontario and its core mission is to build a strong southern Ontario economy that is resilient in times of crisis and catalyzes innovation, growth and economic development.

With its headquarters in Waterloo and offices in Toronto, Peterborough and Ottawa, FedDev Ontario has a presence across southern Ontario. The Agency facilitates collaboration with stakeholders, including: not-for-profit organizations, the Ontario and municipal governments, Indigenous communities, private sector firms and post-secondary

institutions. In doing so, FedDev Ontario seeks to connect key regional stakeholders and to gather, analyze, and share intelligence about our region's industries and communities.

Through ongoing collaboration and dialogue with other federal departments and agencies, FedDev Ontario also reflects the perspectives of southern Ontario in decision-making at the federal level, providing on-the-ground support in implementing key government priorities.

In accordance with its mandate, the Agency strategically invests in scaling up businesses, strengthening innovation ecosystems and community development in the region to build a strong southern Ontario economy of the future. FedDev Ontario focuses on reinforcing trade-exposed businesses and communities, particularly those affected by tariffs, by helping them strengthen their resilience and competitiveness.

FedDev Ontario delivers ongoing funding designed to support the commercialization of new technologies, business scale-up and expansion, technology adoption and adaptation, and community diversification and development. The Agency's investments unlock economic opportunities for businesses and organizations. They help to position the region as a leader in emerging sectors such as AI, and to build a strong southern Ontario economy that enables the region to be competitive and productive.

In addition, FedDev Ontario plays an important role in delivering national programming that support rural and small communities and diverse populations. The Agency also delivers temporary national initiatives in southern Ontario that respond to government priorities, such as investments in the defence sector.

FedDev Ontario mainly purchases goods related to daily business activities, including office furniture and supplies, and information technology equipment (computers, screens and accessories).

FedDev Ontario prioritizes the use of Canadian suppliers and products in its procurement processes, where feasible, in support of the Government of Canada's Buy Canadian Policy. The Agency is also committed to awarding a minimum of 5% of the total value of its annual contracts to Indigenous businesses. To advance this commitment, the Agency's procurement team works with clients to assess whether contracts can be directed to an Indigenous vendor, with the aim of surpassing the required minimum target.

2.2 Information on the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the procurement of goods by FedDev Ontario

FedDev Ontario has integrated Public Services and Procurement Canada's (PSPC) Standard Contract Clauses, including PSPC's Code of Conduct for Procurement and anti-forced labour clauses in our purchasing activities.

In addition, to prevent and reduce the risk of forced labour or child labour in its procurements, FedDev Ontario has used the following list of PSPC tools:

- standing offers
- supply arrangements
- anti-forced labour contract clauses

PSPC has developed awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. FedDev Ontario continues to use PSPC's guidance and awareness materials for suppliers to reinforce that forced labour and child labour will not be tolerated in any procurement activities undertaken by the Agency.

In addition, the Agency's Procurement Management Framework includes direction that all procurement officers and project authorities must attest to the ethical practices of the companies with which they enter into contractual agreements.

2.3 Information on the policies and due diligence processes in relation to forced labour and child labour

FedDev Ontario requires its vendors and their sub-contractors to meet the expectations and obligations set forth in PSPC's Code of Conduct for Procurement.

Effective April 1, 2023, amendments to the Treasury Board *Directive on the Management of Procurement* require contracting authorities from all departments listed in Schedules I, I.1 and II of the *Financial Administration Act* (with the exception of the Canada Revenue Agency) and commissions established in accordance with the *Inquiries Act* and designated as a department for the purposes of the *Financial Administration Act* to incorporate the Code of Conduct for Procurement ("the Code") into their procurements.

The Code requires that vendors, providing goods and services to the Government of Canada and their sub-contractors, comply with all applicable laws and regulations. In addition, the Code requires vendors and their sub-contractors to comply with Canada's prohibition on the importation of goods produced, in whole or in part, by forced or compulsory labour. This includes forced or compulsory child labour and applies to all goods, regardless of their country of origin.

FedDev Ontario has integrated the Code into its procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour.

2.4 Information on the parts of FedDev Ontario’s activities and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk

FedDev Ontario requires its vendors and their sub-contractors to meet the expectations and obligations set forth in PSPC’s Code of Conduct for Procurement.

As part of its commitment to the findings of PSPC’s 2021 risk assessment, FedDev Ontario has incorporated key strategies into its internal processes. Under FedDev Ontario’s Procurement Management Framework, all Project Authorities must attest to the ethical standards of companies they contract with. The measures provided by PSPC offer further assurances that contracts for goods and services uphold the highest standards related to forced labour regulations.

Additionally, FedDev Ontario has entered into a Memorandum of Understanding with the Office of Supplier Integrity and Compliance (OSIC), which enhances oversight of companies deemed ineligible to enter into contracts with the Government of Canada. Ineligibility may result from a range of factors, including the use of child labour or forced labour. FedDev Ontario will not enter into contracts with companies that have been deemed ineligible by the Office of Supplier Integrity and Compliance.

2.5 Information on any measures taken to remediate any forced labour or child labour

FedDev Ontario requires its vendors and their sub-contractors to meet the expectations and obligations set forth in PSPC’s Code of Conduct for Procurement.

2.6 Information on any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in FedDev Ontario’s activities and supply chains

FedDev Ontario works closely with PSPC, which is the authority on matters pertaining to procurement, to leverage best practices and guidance to assist the Agency in developing measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour.

2.7 Information on the training provided to employees on forced labour and child labour

In 2025, the Canada School of Public Service (CSPS) launched *Introduction to Ethical Procurement*, a course developed and maintained by PSPC. This course has been

incorporated into the mandatory training requirements for FedDev Ontario's procurement officers. The course introduces the concept of ethical procurement and supports procurement professionals in developing a general understanding of human rights risks within federal supply chains. It also provides an overview of the annual reporting obligations for government institutions under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, thereby supporting employees in fulfilling legislative and policy requirements related to forced and child labour.

The Agency will continue to proactively monitor and leverage relevant training opportunities offered through the CSPA and PSPC.

2.8 Information on how FedDev Ontario assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains

FedDev Ontario assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains by leveraging PSPC's best practices and guidance, including the updated anti-forced labour requirements in PSPC's policies and guidelines for procurement. In addition, FedDev Ontario continues to work closely with PSPC, which is the authority on matters pertaining to procurement.

Internally, FedDev Ontario conducts a quarterly analysis and review of procurement activities with its corporate governance committee. This review allows scope for the Agency to assess the effectiveness of its controls related to forced labour and child labour.