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Introduction

Millions of people are in situations of forced labour worldwide in a multitude of industries. Most recent global estimates indicate that 28 million people were trapped in forced labour on any given day in 2021¹; and that the underpayment of forced labour victims resulted in over US\$236 billion in illegal annual profits for their exploiters².

Forced labour is deeply embedded in the complex structure of the modern economy and is usually found in the beginning of the supply chain, where raw materials are first collected and processed. Recent reports³ also conclude that forced labour and child labour are present throughout all regions of the globe and are estimated to be prevalent in a wide range of goods categories. The Government of Canada is not exempt from the risk of purchasing goods that have been made by forced labour or child labour.

The Government of Canada is taking action under the [National Strategy To Combat Human Trafficking](#). The National Strategy includes a commitment to enhance federal procurement practices with the goal of preventing and reducing the risk of forced labour in government procurement supply chains. As the principal purchaser of goods and services on behalf of the Government of Canada⁴, Public Services and Procurement Canada (PSPC)⁵ is leading on a number of initiatives aimed at ensuring that its suppliers maintain the highest ethical standards within their operations and supply chains. PSPC's [dedicated webpage](#) provides an overview of key efforts undertaken to date to protect human rights in federal procurement supply chains.

As required under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Supply Chains Act), this report highlights the steps PSPC has taken during the 2025 to 2026 fiscal year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods it purchased or distributed.

In the 2025 to 2026 fiscal year, PSPC prioritized engagement with key stakeholders and concentrated its efforts on awareness-raising and guidance for contracting officers (buyers) and suppliers. For example, mandatory training sessions provided PSPC buyers with practical

¹ International Labour Organization, Walk Free, and International Organization for Migration (2022), *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*, [ILO GEMS-2022 Report EN Web.pdf](#)

² International Labour Organization (2024), *Profits and poverty: The economics of forced labour*, [Profits and poverty: The economics of forced labour | International Labour Organization](#)

³ See, e.g., U.S. Department of Labor's Bureau of International Labor Affairs (2024), [List of Goods Produced by Child Labor or Forced Labor](#)

⁴ Although section 9 of the *Department of Public Works and Government Services Act* confers upon the Minister the exclusive authority for the acquisition of goods for departments, this authority does not apply to Shared Services Canada, the Canada Revenue Agency, Parks Canada, the Canadian Food Inspection Agency, the Financial Transactions and Reports Analysis Centre of Canada and the Canadian Institutes of Health Research.

⁵ Department of Public Works and Government Services is the departmental legal name. This report refers to Public Services and Procurement Canada (PSPC), which is largely used as the departmental applied name in various departmental products, except contracts.

guidance on the application of the ethical procurement requirements. PSPC also organized a webinar for suppliers, which was open to buyers, on the risks of forced labour in Canadian supply chains and best practices to prevent and address those risks.

More broadly, PSPC published its policy statement on ethical procurement, and a high-level description of its human rights due diligence framework.

Inspired by the success of the International Contracting Officers Forum held in 2025, PSPC hosted a Canadian Public Procurement Forum on Human Rights in Canadian Supply Chains.

In the 2025 to 2026 fiscal year, PSPC made publicly available a report summarizing the risk assessment completed in 2024, which focused on risks in the Department's electronics supply chains.

In its role as the central purchasing agent for the Government of Canada, and in collaboration with Public Safety Canada, PSPC adapted its online course on ethical procurement and made it available to all Government of Canada departments and agencies to support them in their efforts to prevent and reduce the risk of forced labour or child labour.

The due diligence efforts described in this report take stock of PSPC's foundational work underway since 2018, to safeguard federal procurement supply chains from human and labour rights abuses, leveraging public spending power to promote ethical procurement.

Departmental Background Information

Identifying Information

This report is submitted for and by PSPC as a government institution listed in Schedule I of the *Access to Information Act* and in compliance with the Supply Chains Act. This report covers the steps PSPC has taken between April 1, 2025, and March 31, 2026. The report makes available information regarding PSPC's goods procurements conducted both on its own behalf and on behalf of client departments.

Departmental Structure, Activities and Supply Chains

[The Department of Public Works and Government Services Act](#), enacted in 1996, established the current department and set out PSPC's legal authorities. As a common service organization, PSPC delivers on its mandate through the purchase of goods and services, the divestment of goods, payments and accounting, property and infrastructure, and government-wide support. PSPC is a strategic partner to federal departments and agencies in the achievement of their mandated objectives as, among other things, their central purchasing agent, real property manager, treasurer, and accountant. In the last three fiscal years, PSPC managed the procurement of approximately \$37.8 billion of goods and services every year. The Department employs over 18,000 individuals and has offices across Canada, as well as two international offices.

In the 2025 to 2026 fiscal year (between April 1, 2025, and March 31, 2026), PSPC awarded and amended procurements (including standing offers and supply arrangements) for a total of \$12 billion worth of goods on behalf of itself and other federal clients. The suppliers from whom these goods were purchased reported themselves to be based in at least 26 different countries. Of these reported countries, the top five by total volume purchased were Canada, the United States, the United Kingdom, Germany and Australia.

Goods purchased by PSPC for itself totalled approximately \$1.54 billion. Of these procurements, the top commodity categories by total purchase value included drugs and pharmaceutical products, software, accommodation furniture, and commercial and industrial furniture. Goods purchased by PSPC for federal clients totalled approximately \$10.5 billion. Surplus goods divested by PSPC for federal clients represented over 22,300 transactions resulting in over \$63 million in returns to departments. Surplus goods recycled by PSPC for federal clients require purchasers to sign an "Attestation of due diligence and Forced / Child Labour".

Over 8,000 good related procurements (including transactions under standing offers and supply arrangements) were awarded or amended by PSPC both for itself and for client departments. All contracts and call-ups incorporated by reference the updated [Code of Conduct for Procurement](#) and its human and labour rights expectations. PSPC's anti-forced labour contract clauses were also mandatorily included in all new or amended goods contracts and call-ups.

Further, PSPC's Office of Supplier Integrity and Compliance (OSIC) administers the government-wide [Ineligibility and Suspension Policy](#). This Policy enables PSPC to suspend or debar suppliers from doing business with the federal government if they are charged with or convicted of certain criminal offences, including those related to forced labour and human trafficking. Action may also be taken in the absence of charges or convictions where specific criteria are met, such as a founded breach of the Code of Conduct for Procurement.

Steps taken to prevent and reduce the risk of forced labour and child labour

PSPC continued to deliver on its commitments to prevent and reduce the risks of human trafficking, forced labour and child labour in federal procurement supply chains. Over the past fiscal year, PSPC focused on engagement and awareness-raising, and also started planning its enhanced due diligence work for 2026 to 2027 and beyond.

In partnership with Shared Services Canada (SSC), in 2024, PSPC completed a contract with Electronics Watch (EW), a world-leading organization specialized in addressing the risks of human rights abuses in electronics supply chains of public buyers. As part of this contract, EW conducted a risk assessment of PSPC and SSC's electronics supply chains. In October 2025, a summary of the risk assessment report was posted on PSPC's website, while the full report is publicly available upon request.

In December 2025, PSPC published on its website a policy statement on ethical procurement, and the Human Rights Due Diligence framework. The policy statement outlines the Department's commitment to prevent forced labour, child labour, and human trafficking in public procurement supply chains. The framework highlights existing and upcoming measures and initiatives to that end.

The Department's course on ethical procurement for buyers has been available on PSPC's online learning platform since August 2024. The course raises awareness of policy obligations and available tools to help prevent forced labour, child labour, and human trafficking in public procurement supply chains. 800 PSPC employees completed the course in the 2025 to 2026 fiscal year. To support other departments, PSPC revised the course, and made it available government wide.

The Department continued stakeholder engagement efforts to help raise awareness with industry actors and buyers. During the reporting period, the Department offered several learning and engagement activities for buyers and suppliers, including learning sessions, buyers' forums sessions, and a webinar for suppliers. Examples of these activities are provided below.

- Learning sessions for PSPC buyers, held in September 2025 (nearly 800 participants)
- International Contracting Officers Forum: Combatting Human Trafficking in Government Procurement, in collaboration with Australia, New Zealand, the United Kingdom and the United States, held in May 2025 (over 140 participants)
- Public Procurement Forum on Human Rights in Canadian Supply Chains, held in February 2026 (nearly 200 virtual and in-person participants from different levels of government, universities and other public institutions across Canada)
- Webinar on the risks of forced labour in Canadian supply chains for suppliers, held in February 2026 (more than 250 participants, including Government of Canada buyers)

PSPC maintained a generic inbox dedicated to ethical procurement where buyers, suppliers and other stakeholders asked for and received information on PSPC ethical procurement initiatives and guidance on the application of the Department's requirements.

The Department incorporated the Code of Conduct for Procurement and the anti-forced labour clauses in all new and amended contracts, standing offers and supply arrangements. The anti-forced labour clauses allow PSPC to terminate a contract, set aside a standing offer and suspend or cancel a supply arrangement where there is credible information that goods have been produced in whole or in part by forced labour or human trafficking. The clauses also protect PSPC from financial liability if imported goods are not released at the border because their importation is prohibited under the forced labour prohibition in the *Customs Tariff*.

PSPC also continued to implement its Policy on the Ethical Procurement of Apparel requiring suppliers to self-certify that they and their first-tier subcontractors comply with a set of human and labour rights. These rights include freedom from forced labour and child labour.

PSPC's Office of Supplier Integrity and Compliance (OSIC) continued to implement the revised and expanded [Ineligibility and Suspension Policy](#) (the Policy), which came into effect on May 31, 2024. Under the Policy's expanded authorities, during fiscal year 2025 to 2026, one supplier was suspended following charges related to human trafficking.

Supplementary Information

Policies and due diligence processes in relation to forced labour and child labour

Over the course of the 2025 to 2026 fiscal year, procurement policy initiatives in relation to human trafficking, forced labour, and child labour have continued to be implemented.

Following the 2024 stakeholder engagement sessions about ethical procurement policies and practices, PSPC published a policy statement on its website in late 2025. The policy statement summarizes the Department's commitment to maintain ethical standards for government procurement.

PSPC also published on its website a summary of its Human Rights Due Diligence framework. The framework outlines existing and upcoming measures and initiatives to prevent human trafficking, forced labour, and child labour in public procurement supply chains. It is structured around four pillars: awareness, identification, mitigation, and reporting.

In the 2025 to 2026 fiscal year, PSPC focused on awareness, and planned its work in risk identification and mitigation for 2026 to 2027 and beyond. In addition, PSPC conducted research and started developing a pilot project to implement enhanced reporting requirements and evaluation criteria for commodities and procurements identified as being at a high risk of forced labour or child labour.

PSPC's Office of Supplier Integrity and Compliance (OSIC), continues to refine implementation of the government-wide [Ineligibility and Suspension Policy](#) (the Policy). Where the Policy is contravened, including where suppliers are charged with or convicted of offences pertaining to forced labour or human trafficking, OSIC will take action to mitigate risks and uphold the integrity of the federal procurement and real property systems. Further, OSIC leverages its capacity to assess suppliers of concern to support enforcement of PSPC's anti-forced labour clauses.

Activities and supply chains that carry a risk of forced labour or child labour and the steps taken to assess and manage that risk

In previous years, PSPC has conducted risk assessments of the goods it purchases, which resulted in a number of practical and pertinent recommendations for PSPC. In the 2025 to 2026 fiscal year, these findings and recommendations informed additional research and key stakeholder engagement activities. For example, PSPC organized awareness-raising activities

such as a webinar for its suppliers, and delivered a presentation at the Canadian Public Procurement Forum on Human Rights in Canadian Supply Chains.

The results of these efforts have continued to inform the Department's evidence-based approach to preventing and mitigating instances of forced labour and child labour in federal procurement activities and supply chains.

Measures taken to remediate any forced labour or child labour

As part of an ongoing policy commitment to ensuring that federal suppliers adhere to the highest ethical standards and provide goods that have not been produced by forced labour, PSPC has strengthened its contracting regime in recent years.

Where credible information points to unethical practices such as forced labour, human trafficking, or abuse of vulnerable workers, the [Code of Conduct for Procurement](#) and the anti-forced labour clauses allow PSPC to take action.

Should PSPC receive credible evidence from a reliable source that goods purchased were made by forced labour or child labour, PSPC would collaborate with implicated supplier(s) to address the issue as outlined in its ethical procurement instruments.

PSPC continued to focus on supplier engagement and awareness-raising during the 2025 to 2026 fiscal year, which also supports the prevention of forced and child labour in supply chains. This included a webinar in February 2026 for suppliers on the prevention of forced labour in Canadian supply chains, where best practices for detecting and addressing forced labour and child labour were presented.

Remediation of loss of income

PSPC has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As such, no measures have been taken to remediate the loss of income for the most vulnerable families. PSPC has published its Human Rights Due Diligence framework, which will impact its procurement processes over the coming years. In the context of this framework, enhanced due diligence measures will include expectations for suppliers to have in place appropriate risk management systems, including remediation mechanisms.

Training provided to employees on forced labour and child labour

PSPC has developed awareness resources for suppliers of at-risk goods to promote ethical procurement best practices. These materials can be leveraged by PSPC's employees to build awareness around risks of human trafficking, forced labour and child labour.

The Department’s course on ethical procurement for buyers has been available on PSPC’s learning platform since August 2024. The course raises awareness of policy obligations and available tools to help prevent forced labour, child labour, and human trafficking in public procurement supply chains. 800 PSPC employees completed the course in the 2025 to 2026 fiscal year. In the course evaluation survey, most participants reported increased knowledge on the subject, motivation and confidence to apply what they learned to their work.

Select participant feedback on the online course:

“A big eye opener regarding certain topics”

“The course content was both interesting and relevant to my professional responsibilities and enhanced my understanding.”

“This was a good reminder and a deepening of my knowledge.” (translation from French)

To support other departments, PSPC revised the content of the course to align it with procurement practices outside of the Department, and made it available government wide.

In September 2025, PSPC held virtual learning sessions to increase awareness of its ethical procurement requirements and how they apply to procurement processes. The sessions were mandatory for the Department’s buyers. Nearly 800 employees participated.

In February 2026, in collaboration with Public Safety Canada, PSPC organized a Public Procurement Forum on Human Rights in Canadian Supply Chains. The Forum was a learning and networking opportunity for working-level procurement and policy professionals; and included nearly 200 participants (online and in person) from different levels of government, universities and other public institutions across Canada, including PSPC.

When conducting procurements, PSPC buyers were able to reference the PSPC supply manual for guidance on the application of the [Code of Conduct for Procurement](#) and PSPC’s anti-forced labour contract clauses. For additional questions related to the application of contracting tools for preventing human trafficking, forced labour, and child labour, or for general questions on the topic, buyers would email a dedicated and responsive generic inbox maintained by experts in the Department. PSPC is currently revising the guidance in its new Buyer’s Portal to better support buyers in the application of ethical procurement requirements.

Assessing the effectiveness of ethical procurement measures

During the 2025 to 2026 fiscal year, PSPC’s primary means of assessing the effectiveness of ethical procurement measures was through engagement with its stakeholders—suppliers, buyers, expert NGOs and other governments. This engagement took the form of bilateral and multilateral meetings, email consultations, and submission of feedback to a generic inbox

dedicated to ethical procurement issues and concerns. These forums provided opportunities to hear feedback from stakeholders on existing departmental ethical procurement initiatives. These forums have allowed PSPC to hold discussions with suppliers on the effectiveness of their actions to address human trafficking, forced labour, and child labour and how PSPC can support their due diligence efforts.

PSPC's risk assessments of its own supply chains, including a 2024 assessment of its electronics supply chains conducted by Electronics Watch, have also allowed the Department to remain informed about evolving risks in its supply chains. These risk assessments have highlighted the need for the continued refinement of due diligence measures in PSPC supply chains, and will support a risk-based and evidence-informed approach to supply chain due diligence going forward.

Conclusion

During the 2025 to 2026 fiscal year, PSPC continued its efforts to prevent and reduce forced labour, child labour and human trafficking in its supply chains. PSPC's approach to ethical procurement is risk-based, evolving, informed and guided by stakeholder engagement, and in line with international best practices.

While in the 2025 to 2026 fiscal year, awareness and guidance were the key areas of effort, in 2026 to 2027 and beyond, PSPC will focus on developing and enhancing measures to monitor forced labour risks, mitigate risks and encourage effective remediation when forced labour or child labour are identified. Along the way, PSPC will continue to closely engage with its domestic and international stakeholders, including businesses, expert organizations, the public, various levels of government, and its suppliers.

PSPC is committed to preventing and reducing the risk of forced labour, child labour and human trafficking in procurement supply chains, and to promoting the ethical behaviours of suppliers. While much has been accomplished, the globally entrenched nature of human trafficking in supply chains requires the Department to continue advancing work in this area.