



National
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CANADIAN
ARMED FORCES

Fighting Against Forced Labour and Child Labour in Supply Chains Act

2025-2026 Annual Report to Public Safety Canada



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General

This report describes the **Department of National Defence's (DND)** response to the reporting obligations set out in subsections 6(1) and 6(2) of the [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#) (the *Supply Chains Act*). Under the Act, government institutions are required to report annually on the measures taken during the previous fiscal year to prevent and reduce the risk of forced labour and child labour at any stage of the production of goods that are produced, purchased, or distributed by the institution. For clarity, this report includes purchases conducted centrally by a common provider of acquisition services on behalf of DND.

At DND, we are committed to ensuring that all work performed under defence contracts is voluntary and free from any form of exploitation. We require our vendors and subcontractors to comply with Canada's prohibition on the importation of goods produced, in whole or in part, by forced or child labour, regardless of their origin. This approach reinforces our commitment to ethical procurement, respect for human rights, and responsible supply chain management.

DND Structure, Activities and Supply Chains

DND has a workforce of more than 71,500 regular force members, 30,000 reserve force members, and 30,000 civilian employees dedicated to supporting the Canadian Armed Forces (CAF), which consist of the Navy, Army, Air Force, and Special Operations Forces. The shared strategic defence mandate between DND and the CAF ensures that Canada remains strong domestically, secure within North America, and actively engaged on the international stage in defence of Canadians when required.

The Governor General of Canada serves as the Commander-in-Chief of the Canadian Armed Forces. DND is overseen by the Minister of National Defence with support from the Associate Minister. The department's senior public servant is the Deputy Minister of National Defence. The defence supply chain is governed by the Defence Supply Chain Governance Charter and involves procuring, managing, delivering, and supporting materiel and the provision of services required to successfully sustain CAF operations and training. Goods are both purchased inside and outside of Canada and are distributed between Canadian Forces depots, bases, wings, and deployed units domestically and overseas. Equipment is routinely distributed back to vendors for repair and overhaul. DND also divests equipment when it has reached its end of life.

The defence supply chain comprises over 600 million items spanning roughly 1.2 million NATO Stock Numbers globally dispersed across more than 300 supply warehouses, as well as private sector suppliers. Approximately 46% of the annual value of purchases made by DND under its own contracting authorities are made using PSPC tools such as Standing Offers and Supply Arrangements.

Summary of Actions Taken in Fiscal Year 2025-2026

This report covers the period from April 1, 2025, to March 31, 2026, and builds upon the actions outlined in DND's previous report published at the conclusion of fiscal year 2024–2025.

Use of Standard Contract Clause Inventory and Common Methods of Supply

DND advanced ethical and responsible procurement by implementing Public Services and Procurement Canada's (PSPC) Contracting Modernization Initiative through the adoption of their Standard Contract Clause Inventory and supporting document assembly tool for solicitations and resulting contracts. This transition supports the consistent incorporation of the Code of Conduct for Procurement and anti-forced labour clauses into contracts awarded within DND's contract approval limit. DND continues to use Standing Offers and Supply Arrangements developed by PSPC to reduce the risk of forced labour or child labour in procurements. The ethical conduct of qualified standing offer and supply arrangement holders is monitored through PSPC's [Office](#)

[of Supplier Integrity and Compliance](#), offering further assurance that forced labour is not being used. Where DND is made aware of instances of forced and child labour, the Office of Supplier Integrity and Compliance shall be consulted to determine the next steps and best practices.

Promulgation of Awareness-Raising Guidance Material

PSPC has developed awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. The materials are progressively becoming available on the [Canada.ca](#) website.

DND promotes awareness of these materials among buyers and suppliers to help safeguard defence supply chains against the risks of forced labour and child labour.

DND is committed to maintaining a high level of awareness of ongoing developments relating to forced labour and child labour. Timely updates to departmental procurement policy, including our Procurement Administration Manual, ensure that the DND procurement community is aware of and able to effectively apply applicable anti-forced labour policies and legislation. This approach supports awareness, as well as the identification, mitigation, and reporting of risks observed in the supply chain.

Through ongoing communication and updates to resource materials and tools, DND procurement officers are becoming better equipped to understand the circumstances that may require remediation when instances of forced labour and child labour are identified.

Progressive Due Diligence

While PSPC supports government institutions by acting as the central purchasing agent for the Government of Canada, DND also conducts procurement activities under its own contracting authority. Given the breadth and volume of DND's procurement activities, it is not currently feasible to comprehensively assess every supply chain sector, industry, country, or region to quantify the risks of forced labour and child labour associated with all procurements.

DND refers to the [Global Slavery Index](#) to conduct supply chain mapping efforts that identify areas of its immediate supply chain that use higher risk goods. The department's current information is predominantly limited to tier 1 suppliers. Visibility into lower-tier supply chains may not be achievable without enhanced supply chain illumination to allow for identification of potential risks that could indirectly contribute to forced labour or child labour. In addition to increasing visibility into lower-tier supply chains for materiel, DND will continue to advance risk analysis activities for select major capital projects.

At this time, no remediation measures have been implemented, as no instances of forced labour or child labour have been identified within DND activities or supply chains. A potential future benchmark would involve working collaboratively with suppliers to assess the effectiveness of their measures to address risks of forced labour and child labour.

Policies and Due Diligence Compliance

Code of Conduct for Procurement

The prohibition on the importation of goods produced wholly or in part by forced labour came into force under the *Customs Tariff* on July 1, 2020. This amendment implemented a commitment in the Labour Chapter of the Canada-United States-Mexico Agreement (CUSMA) and applies to all imports, regardless of origin.

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 to the Government of Canada and their sub-contractors, comply with all applicable laws and regulations. In addition, the Code requires vendors and their subcontractors 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.

DND continues to integrate the Code into our procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that our organization has awarded include the Code through the General Conditions.

Anti-Forced Labour Clauses

Since November 2021, PSPC implemented anti-forced labour clauses in all goods contracts to ensure that it can terminate contracts where there is credible information that the goods have been produced in whole or in part by forced labour or human trafficking. Additionally, since November 20, 2023, all PSPC Standing Offers and Supply Arrangements for goods that have been issued, amended, or refreshed include anti-forced labour clauses. Effective December 16, 2024, PSPC expanded the anti-forced labour requirements to include services contracts and research and development contracts.

As such, all DND contracts for goods and services resulting from the use of these tools include clauses relating to forced labour which set out, among other things, human rights and labour rights requirements. These clauses can be found in the [Standard Contract Clause Inventory](#).

Risk Assessment

In May 2021, a risk analysis of PSPC’s supply chains was completed by the Rights Lab, of the University of Nottingham (U.K.), to determine which goods were at the highest risk of exposure to human trafficking, forced labour, and child labour. The analysis, and subsequent report, elaborated key strategies for PSPC to leverage public spending power to raise awareness about forced labour in supply chains.

DND took note of the findings and recommendations of this risk analysis, and is monitoring related follow-on action, including the implementation of the [Policy on Ethical Procurement](#) and the development of a [Human Rights Due Diligence Framework](#).

Based on the methodology for the 2021 risk analysis of PSPC’s supply chains, DND conducted a foundational spend analysis using United Nations Standard Products and Services Codes (UNSPSC) mapped to corresponding Goods and Services Identification Numbers (GSIN) to help identify parts of its supply chains that may carry risks. The results prompted DND to initiate the process of updating its Procurement Administration Manual to identify goods entering the country that may be produced using forced or child labour, outline responsibilities for risk mitigation, and provide relevant contact information if cases are realized. This GSIN-to-UNSPSC mapping enables year-over-year spend analyses to advance the identification of risks.

DND commits to monitoring changes to PSPC’s risk assessment methods to capture data that reflects the most at-risk goods and services. DND also commits to seeking opportunities to better assess risk exposure of its supply chains through illumination activities.

Remediation of Forced Labour and Child Labour

During fiscal year 2025-2026, DND was not made aware of any instance of forced labour or child labour in its supply chains. If instances of forced labour or child labour arise within its activities or supply chains, DND commits to taking remedial action. Available actions include the ability to render bids noncompliant or to terminate contracts if suppliers have failed to comply with the Code of Conduct for Procurement.

Remediation of Loss of Income

During fiscal year 2025-2026, DND was not made aware of any instances where vulnerable families lost income due to measures taken to eliminate the use of forced labour or child labour in our supply chains.

Training Initiatives

DND is monitoring PSPC's development of [awareness-raising guidance](#) for suppliers and will continue to leverage available PSPC resources. PSPC has developed an online self-paced course for procurement officers titled "[Introduction to Ethical Procurement](#)". The course is available to federal public servants on the Canada School of Public Service's learning platform as of November 2025. Within DND, the course is recommended for all procurement practitioners.

Effectiveness Assessment

DND continues to assess our effectiveness in ensuring that forced labour and child labour are not being used in departmental activities and supply chains. DND remains committed to aligning with federal partners to identify potential areas of concern within the Government of Canada's supply chains, such as geographic regions with known prevalence of forced labour and child labour or high-risk sectors and industries. DND will continue to analyze contract data to detect potential instances of forced labour, provide information and support to the procurement community to ensure compliance with the guidance developed by federal partners, and encourage supplier awareness of potential risks of forced labour in their supply chains.