



Department of Finance
Canada

Ministère des Finances
Canada

2025 Annual report

Under the Fighting Against Forced Labour and Child Labour in *Supply Chains Act*

Canada

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REPORT TITLE

Department of Finance Canada - 2025 Annual Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

SUBMISSION INFORMATION

This report is submitted on behalf of **Department of Finance Canada** and covers activities from **April 1, 2024, to March 31, 2025.**

ANNUAL REPORT

Structure, activities and supply chains

All goods purchased on contract by the Department of Finance Canada were from Canadian suppliers.

The Department of Finance Canada (the Department) is a small department with approximately 922¹ full-time equivalents (FTE) and an annual appropriated budget of approximately \$161M²(voted authorities). The Department is responsible for the overall stewardship of the Canadian economy. This includes preparing the annual federal budget, as well as advising the Government on economic and fiscal matters, tax and tariff policy, social measures, security issues, financial stability, and Canada's international commitments.

The Department provides centralized procurement services that fall under the area of responsibility of the Director General, Financial Management Division and Chief Financial Officer (CFO). The CFO functionally reports directly to the Deputy Minister of Finance and administratively to the Assistant Deputy Minister, Corporate Services. The Procurement team reports directly to the Senior Director, Financial Operations and Administrative Services, Deputy Chief Financial Officer, and the Senior Designated Official for Procurement (SDO).

Procurement is carried out in support of the Department's operational requirements and is guided by the [Policy on the Planning and Management of Investments](#), the [Directive on the Management of Procurement](#) and the Department's Procurement Management Framework. Additional internal information and guidance is also available to support procurement officers, business owners and Management across the department.

¹ [Department of Finance Canada 2024-25 Departmental Plan](#)

² [Supplementary Estimates \(B\), 2024-25](#)

The Department purchases commercially available goods on contract from Canadian suppliers such as information technology equipment and accessories, office furniture, office supplies and other miscellaneous goods. In fiscal year 2024-25, the Department awarded 180 contracts and amendments (\$8.2M), 38 of which were goods contracts totaling **\$795,000**.

Approximately 95% (\$751,776) of the value of the Department's goods purchased on contract were through Public Services and Procurement Canada (PSPC) and Shared Services Canada (SSC) standing offers, supply arrangements, or contracts awarded using their procurement authorities.

Approximately 5% (\$43,523) of the value of the Department's goods purchased on contract were through Departmental purchase orders. The Department uses purchase orders only when necessary and when the goods required are low dollar value and not available on existing SSC and PSPC standing offers or supply arrangements.

Procurement tool	Volume of Transactions	Total Value	Description
SSC standing offers	19 contracts	\$530,836.80	IT equipment and accessories
PSPC standing offers	3 contracts	\$24,305.72	Office supplies and AV equipment
PSPC supply arrangements	6 contracts	\$84,191.88	Furniture
PSPC contract outside of SOSA	1 contract	\$73,088.40	Furniture
SSC contract outside of SOSA	6 contracts	\$39,353.43	IT equipment and accessories
FIN Purchase orders	3 contracts	\$43,523.41	Furniture, IT equipment and accessories
Total	38 contracts	\$795,299.34	

Steps to prevent and reduce risks of forced labour and child labour

The Department leveraged the results of a supply chain risk analysis conducted for PSPC in 2021 by Right Lab of the University of Nottingham (U.K.). The risk analysis was to determine which goods were at the highest risk of exposure to human trafficking, forced labour, and child labour. The Department used these results to conduct its own assessment and identify risks associated with its purchase of electronics and office supplies and devices. The Department's risk mitigation strategy is to ensure that contracts for electronic goods are purchased by SSC on the Department's behalf, using approved vendors that must meet SSC's supply chain integrity process. The Procurement team continues to monitor its goods procurements, which help prevent and reduce risks.

In fiscal year 2024-25, all the Department's goods contracts included anti-forced labour and child labour clauses. These clauses allow departments to terminate contracts where there is credible information that the goods were produced in whole or in part by forced labour or human trafficking. The Department did not terminate any goods contracts for this reason in fiscal year 2024-25. The Department is also staying informed on PSPC progress on the development of a Policy on Ethical Procurement to be compliant with new policy requirements.

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

Effective April 1, 2023, the TB Directive on the Management of Procurement includes requirements to integrate human rights, the environment, social and corporate governance, supply chain transparency principles, and Public Services and Procurement Canada's [Code of Conduct for Procurement](#) (the Code) into all government procurements.

The Code requires that suppliers, 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.

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.

Pursuant to this, the Department's contracts include the Code through the General Conditions for goods, with a view to safeguarding federal procurement supply chains from forced labour and child labour.

The Department will collaborate on an ongoing basis with PSPC's Ethical Procurement division for support and best practices to monitor and validate vendor compliance to the Code and further development of Ethical Procurement policies.

Identifying parts of your institution'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 those risks

In fiscal year 2023-24, the Department's Procurement team reviewed four years of goods procurement data aimed at assessing categories at risk based on the Rights Lab analysis of PSPC's supply chains.

The Department's risk findings included a medium risk associated with the purchase of IT equipment and accessories due to volumes, as well as office supplies and devices as it is one of the high-risk categories identified by PSPC (risk ranking of 3 out of 10). The Department identified a lower risk associated with the purchase of audio-visual (AV) and communications equipment due to low volume.

To mitigate risks of forced labour or child labour in its IT, AV, office supplies and devices procurements, the Department maximizes its use of standing offers and supply arrangements put in place by PSPC and SSC to ensure contracts are awarded to suppliers who adhere to the Government's Code of Conduct for Procurement.

Measures taken to remediate any forced labour or child labour

As of March 31, 2025, the Department is not aware of any forced labour or child labour in their activities and supply chains. In fiscal year 2025-26, the Department will continue to monitor central agencies policy changes and implement required changes, as needed. The Department will continue to collaborate with PSPC and SSC in the identification and remedial actions to address forced labour or child labour in its activities and supply chains.

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 the institution's activities and supply chains

The Department's preliminary analysis started in fiscal 2023-24 and continued in fiscal year 2024-25 did not identify any loss of income to the most vulnerable families that resulted from the elimination of the use of forced labour or child labour in its activities and supply chains. Therefore, the Department did not take any measures to remediate the loss of income in fiscal year 2024-25. However, the Department will explore further identification and remediation measures, if applicable, in fiscal year 2025-2026, in collaboration with guidance provided by Treasury Board Secretariat, Public Services and Procurement Canada, and Shared Services Canada.

Training provided to employees on forced labour and child labour

In spring 2024, Department procurement officers attended a 1-hour online seminar hosted by PSPC in partnership with SSC on the risks of forced labour in electronics supply chains.

On January 30, 2025, Department procurement officers attended a round table on Supply Chain Resilience and Integrity moderated by the Office of the Comptroller General at the Treasury Board Secretariat, which included panelists from the Department of National Defence and the Canadian Centre for Cyber Security.

On February 26, 2025, Department procurement officers attended a training and awareness session on ***Principles to Guide Government Action to Combat Human Trafficking in Global Supply Chains***, developed by Australia, Canada, New Zealand, the United Kingdom, and the United States.

The Department is aware that PSPC and SSC continue to develop further awareness-raising guidance materials targeted towards high-risk sectors and is monitoring the development of these materials and will leverage these resources upon publication.

The Department highlighted the importance of acquisition cardholders purchasing goods from government approved vendors through a quarterly newsletter in the fall of 2024.

Assessing effectiveness in ensuring that forced labour and child labour are not being used in activities and supply chains

The Department mitigates its risks by ensuring all goods contracts include Code of Conduct and Anti-Forced labour clauses that certify that the goods supplied to the Department were not produced by forced or child labour. Another key risk mitigation strategy is to leverage existing PSPC and SSC managed supply chains through standing offers and supply arrangements to ensure that goods contracts are awarded to suppliers that adhere to the Government's Code of Conduct for Procurement.

The Department monitored PSPC and SSC progress on developing training, policies, and procedures to assess the effectiveness in ensuring that forced labour and child labour are not being used in their activities and supply chains, with the intent to leverage this work and follow ongoing guidance established by these Departments. The Department will continue to monitor central agency policy updates and implement required changes, as needed.