



Annual Report on Fighting Against Forced Labour and Child Labour in Supply Chains

for the Financial Reporting Period of
1 April 2024 to 31 March 2025



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

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General

This annual report responds to the requirement established in the [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#). The act requires government institutions to report annually on the measures that they have taken during the previous financial year to prevent or reduce the risk of forced labour and child labour at any step of the production of goods produced, purchased, or distributed by the government institution. For clarity, purchases executed centrally by a common provider of acquisition services on behalf of a government institution are scoped into this report.

The Office of the Auditor General of Canada (OAG) is a government institution as defined in the act. We purchase goods in and outside of Canada and distribute goods in Canada between our head office in Ottawa (Ontario) and our regional offices in Halifax (Nova Scotia), Montréal (Quebec), Edmonton (Alberta), and Vancouver (British Columbia). Our activities do not extend to the production of goods, and we do not manufacture, grow, extract, or process goods in or outside of Canada.

Executive Summary

The OAG is committed to delivering our procurement function in a manner that enables operational outcomes and demonstrates sound stewardship and best value consistent with the Government of Canada's environmental, social, and corporate governance objectives. This commitment includes respecting human rights and upholding ethical standards to prevent or reduce the risk that forced labour and child labour are present in our activities and supply chains. This commitment also complements our [Departmental Sustainable Development Strategy](#) and contributes to the [United Nations' Sustainable Development Goal 8](#) to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

This report will describe

- our structure, activities, and supply chains
- actions taken in the previous financial year
- policies and due diligence processes
- risk assessment and mitigation
- remediation of forced labour and child labour
- remediation of loss of income
- training initiatives
- effectiveness assessment

Structure, Activities, and Supply Chains

Raison d'être

The OAG is the legislative audit office of the federal government and the 3 northern territories. Our main duties are financial audits, performance audits, special examinations, sustainable development monitoring activities, and environmental petitions oversight. Our audits and studies provide objective information, advice, and assurance to Parliament, territorial legislatures, governments, and Canadians. With our reports and testimony, we assist parliamentarians and territorial legislators in their work on authorizing and overseeing government spending and operations.

Mandate and activities

The Auditor General of Canada is an officer of Parliament whose work and responsibilities are independent of the government and who reports directly to Parliament. The Auditor General's duties are set out in the [Auditor General Act](#), the [Financial Administration Act](#), and other acts and orders-in-council. The Commissioner of the Environment and Sustainable Development assists the Auditor General in performing the duties that relate to the environment and sustainable development.

The OAG's main duties are

- financial audits of the consolidated financial statements of the Government of Canada and each of the 3 territorial governments and of the financial statements of federal Crown corporations, territorial corporations, and other organizations
- performance audits of federal and territorial organizations and programs
- special examinations of federal Crown corporations
- sustainable development monitoring activities

Structure

The OAG workforce includes 3 main sectors: the financial audit practice, the performance audit practice, and corporate services. Procurement and distribution activities are executed in response to demands for goods and services that originate from within these sectors of the OAG.

Supply chains

In conducting its audits and fulfilling operational functions, the OAG relies on a network of suppliers to procure goods and services. These suppliers range from professional services firms to providers of office supplies and equipment. While the OAG's supply chains may not be as extensive as those of commercial enterprises and large government institutions, they play a critical role in supporting our mandate.

Our annual pre-tax spend for goods is approximately \$3.5 million, primarily in the domains of software, computers, peripherals, audiovisual equipment, furniture, and office supplies. These goods are mainly sourced using methods of supply established by the federal government's common providers of acquisition services: Public Services and Procurement Canada and Shared Services Canada. To ensure that goods procured are positioned where they are required, the OAG may distribute goods, as necessary, between our head office and our regional operations.

Actions Taken in the Previous Financial Year

Public Services and Procurement Canada has a role to advance the Government of Canada's commitment to ethical and sustainable procurement. In recent years, Public Services and Procurement Canada has worked with federal departments and agencies to strengthen Canada's response to the global issues of forced labour and child labour in supply chains. The OAG engaged collaboratively with Public Services and Procurement Canada to support these efforts.

Enhanced requirements on anti-forced labour

Led by Public Services and Procurement Canada, the anti-forced labour requirements were first implemented in November 2021, when a set of anti-forced labour clauses were included in goods contracts. [The anti-forced labour requirements](#) were expanded to standing offers and supply arrangements in November 2023 and to services contracts, including research and development, in December 2024.

The OAG uses a combination of its own templates and those established by Public Services and Procurement Canada for standing offers, supply arrangements, and services contracts. To remain aligned with Public Services and Procurement Canada, the OAG conducted an internal analysis in the 2024–25 fiscal year and identified contracting vehicles where anti-forced labour clauses could be incorporated. These [anti-forced labour requirements](#) have been adopted in the OAG's low-dollar-value goods and services contracts as well as low-dollar-value licenses and maintenance contracts.

The implementation of these changes, expected to be completed in the 2025–26 fiscal year, is part of OAG's broader plan to modernize and standardize its contracting and procurement operations. Expanding the application of these policy requirements to the OAG's standing offers, supply arrangements, and services contract will ensure that suppliers are prohibited from providing, delivering, or selling not only goods but also services to the OAG that have been produced or serviced either wholly or in part using forced labour and child labour.

Procurement management framework

In 2023–24, the OAG updated its procurement management framework to include human rights as part of the environmental, social, and corporate governance principles guiding procurement. Building on these actions, in the 2024–25 fiscal year, the OAG consulted with various federal organizations to determine a long-term, sustainable strategy to safeguard its procurement supply chains from human trafficking, forced labour, and child labour, while ensuring alignment with the Government of Canada-wide approach and policy instruments. Moving forward, the OAG will

follow the lead of Public Services and Procurement Canada and Shared Services Canada—as the central purchasing entity for federal departments—and will adopt a policy on ethical procurement to strengthen the OAG’s procurement management framework.

Awareness training

To equip OAG employees with the knowledge, tools, and guidance necessary to assess, detect, report, and address issues related to forced labour and child labour, the OAG identified initial awareness training for contracting authorities and business owners in the 2023–24 fiscal year.

In the 2024–25 fiscal year, the OAG’s contracting and procurement team of 12 employees completed this training. Furthermore, the OAG has reached out to Public Services and Procurement Canada and Shared Services Canada to explore opportunities to leverage their training materials and courses, which are expected to be available in the 2025–26 fiscal year. These ongoing training opportunities will enhance and sustain awareness among both procurement personnel and business owners at the OAG, empowering them to actively contribute to safeguarding human rights throughout our supply chain.

Policies and Due Diligence Processes

Effective 1 April 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](#) into their procurements.

The code requires that vendors, those who provide 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 1 July 2020. This amendment implemented a commitment in the Labour chapter of the Canada-United States-Mexico Agreement and applies to all imports, regardless of origin.

Pursuant to the aforementioned amendments, we have integrated 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 for goods. If a vendor is unable or unwilling to comply with the code, we reserve the right to investigate, deem a bid non-responsive, or terminate a contract. Throughout the 2024–25 fiscal year, we have diligently applied the code to our procurement activities.

To ensure that procurement outcomes incorporate human rights considerations and to mitigate the risk of unethical business practices, we updated the framework in the 2023–24 fiscal year to include human rights as part of the environmental, social, and corporate governance principles guiding procurement. Throughout the 2024–25 fiscal year, discussions on human rights, including the mitigation of any forced labour or child labour risk, have been documented in procurement files.

Risk Assessment and Mitigation

The OAG recognizes that certain parts of our supply chain may present risks of forced labour or child labour. To assess these risks, in the 2023–24 fiscal year, we leveraged a risk analysis performed on behalf of Public Services and Procurement Canada by the Rights Lab at the University of Nottingham, one of the world’s leading experts in modern slavery. By comparing the OAG’s goods procurement with the top 10 commodities identified as carrying the highest risk of forced labour and child labour in the Government of Canada’s supply chains, we determined that our risk is low. This is because the OAG’s procurement focuses on a limited range of commodities with minimal procurement value linked to goods at a high risk of forced or child labour.

There have been no significant changes to the OAG’s procurement operations and plans, particularly in goods procurement. The risk remains assessed as low, and as a result, no further risk mitigation was deemed necessary or implemented in the 2024–25 fiscal year.

Remediation of Forced Labour and Child Labour

In the 2024–25 fiscal year, the OAG did not identify any instance of forced labour or child labour in our supply chains. If instances of forced labour or child labour arise within our activities or supply chains, the OAG commits to taking remedial action. Available actions include the ability to render bids non-responsive or to terminate contracts if bidders or suppliers have failed to comply with the Code of Conduct for Procurement.

Remediation of Loss of Income

In the 2024–25 fiscal year, the OAG did not identify any instance of forced labour or child labour in our supply chains. As a result, the OAG did not identify any instances of vulnerable families losing income because of measures that we had taken to eliminate the use of forced labour or child labour in our supply chains. With that said, the OAG will take appropriate action when necessary to remediate the loss of income to the most vulnerable families that result from our actions.

Training Initiatives

The OAG has identified ongoing training opportunities to enhance and sustain awareness for both procurement personnel and business owners.

The OAG is aware that Public Services and Procurement Canada is currently developing awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. We are monitoring the development of these materials and will leverage these resources on their publication.

Effectiveness Assessment

The OAG does not currently have its own procedures to assess the effectiveness of preventing forced labour and child labour in our activities and supply chains. Instead, we currently rely on Public Services and Procurement Canada and Shared Services Canada to effectively manage their supply chains, as we use their contracting vehicles for goods procurement wherever possible. The OAG will continue to collaborate with them and other government organizations to learn best practices and encourage a sustained focus on efforts to prevent and address forced labour and child labour.

