

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Canada Revenue Agency – Annual Report
2024-2025



Table of contents

Introduction	3
Part 1: Identifying Information.....	3
Part 2: Mandatory Report Contents.....	3
2.1 The CRA's structure, activities and supply chains	3
2.2 Steps taken by the CRA to prevent and reduce the risk of forced labour and child labour in its activities and supply chains.....	5
2.3 CRA policies and due diligence processes in relation to forced labour and child labour	9
2.4 Parts of the CRA's activities and supply chains that carry a risk of forced labour or child labour being used and the steps taken by the CRA to assess and manage that risk	10
2.5 Measures taken by the CRA to remediate any forced labour or child labour.....	11
2.6 Measures taken by the CRA 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.....	11
2.7 Training to CRA employees on forced labour and child labour	11
2.8 Measures to assess the CRA's effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.....	12
Conclusion.....	12

Introduction

On January 1, 2024, the Government of Canada's new [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#) (Supply Chains Act) came into effect. Pursuant to section 6 of the Supply Chains Act, the Canada Revenue Agency (CRA) is required to submit an annual report to Public Safety Canada (PSC) outlining the measures that the CRA has taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of the goods it purchases.

The CRA continues to be an advocate of social and ethical procurement and continuously seeks to ensure that its procurement practices support the Government of Canada's (GC) socio-economic objectives and generate positive societal impacts. As a world-class tax administration, the CRA has an obligation to protect and safeguard the use of public funds and to uphold public trust in its procurement activities.

Social and ethical objectives are embedded in the CRA's procurement framework, which is guided by the overarching Procurement Policy and its supporting Directive on Corporate Social Responsibility in Procurement and Asset Management. It is supplemented by the [Supplier Code of Conduct for Procurement](#), and the efforts of the CRA's Social and Ethical Procurement Centre of Expertise (SEP CoE). To further advance these objectives, the CRA continues to collaborate with internal and external stakeholders in developing strategies and associated tools and resources to promote ethical procurement and combat forced labour and child labour in supply chains.

Part 1: Identifying Information

Name of government institution: Canada Revenue Agency

Financial reporting year: April 1, 2024, to March 31, 2025

Part 2: Mandatory Report Contents

2.1 The CRA's structure, activities and supply chains

The CRA administers tax, benefits, and related programs, and ensures compliance on behalf of governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians. In particular, the CRA administers a broad range of tax laws and related legislation, including the Income Tax Act and the Excise Tax Act, on behalf of the GC and many provinces and territories. In addition, the CRA collects revenue, including income taxes and employment insurance premiums, as well as other amounts, such as Canada Pension Plan contributions. The CRA administers First Nations and Indigenous self-government taxes that are harmonized with federal

legislation. The CRA also delivers a number of social benefit programs to Canadians for the federal, provincial, and territorial governments.¹

The [Canada Revenue Agency Act](#) (CRA Act) sets out the mandate, structure and authorities of the CRA. It establishes a governance structure that is unique in Canada, comprising a Minister, Board of Management (the Board), Commissioner and Chief Executive Officer, and the Taxpayers' Ombudsperson. The Minister of National Revenue is accountable to Parliament and the Prime Minister for all CRA activities, and exercises powers relating to regulation making and providing reports to Parliament or the Governor in Council (Cabinet). The Board is accountable to the Minister of National Revenue and is responsible for overseeing the organization and administration of the CRA and the management of its resources, services, property, personnel and contracts. The Board is also responsible for developing the CRA's [Corporate Business Plan](#). The CRA is headed by a Commissioner who is accountable to the Minister of National Revenue, the Board, and the Clerk of the Privy Council. As the CRA's Chief Executive Officer, the Commissioner is responsible for the day-to-day management of the CRA and advises the Minister of National Revenue on legislated authorities, duties, and functions. The Taxpayers' Ombudsperson is accountable directly to the Minister of National Revenue and operates at arm's length from the CRA. They are mandated to improve service to taxpayers by offering a service complaint mechanism, systemic reporting, and outreach. The Taxpayers' Ombudsperson is responsible for upholding the eight service-related rights as outlined in the Taxpayer Bill of Rights.²

As it relates to its procurement framework, pursuant to the CRA Act, the CRA has authority over all matters relating to its general administrative policy, including the CRA's procurement policy. As such, the CRA has a full suite of procurement policy instruments. While the CRA is not subject to the Treasury Board (TB) procurement policy direction, the CRA's procurement policy direction is well aligned with that of the TB.

The CRA Act also provides the CRA with full authority to procure goods and services (with the exception of legal services) in and outside Canada. As such, the CRA awards its own contracts and would only use Public Services and Procurement Canada (PSPC) contractual arrangements when it is beneficial for the CRA to do so. While the CRA Act also gives the CRA its own real property authorities (including construction), the CRA has chosen to use PSPC as its exclusive service provider for the provision of accommodation and associated services for space occupied by the CRA. Additionally, and subject to the [Shared Services Canada Act](#) and associated Orders-in-Council, the CRA must use Shared Services Canada's (SSC) services to acquire a number of

¹ [Summary of the CRA Corporate Business Plan 2024–25 with perspectives to 2026–27](#)

² [Organizational structure and governance - Canada.ca](#)

specific IT hardware, software, telecommunications and telephony products and services.

During the 2024-2025 financial year, the CRA issued a total of 36,970 procurement transactions for both goods and services (including new contracts, contract amendments, and e-catalogue purchases³), with a total procurement value of \$179,612,068. The total procurement value for all goods procurements is \$21,486,682, representing 12% of the CRA's total procurement value. These figures exclude any contracts awarded by PSPC or SSC on the CRA's behalf, as well as any purchases outside of contracts made via an acquisition card. The top three goods procured by the CRA during this period were ADP software, office furniture (including chairs), and certificates for retirement or award.

As outlined in the CRA's [2023-2024 annual report](#), the GC does not have visibility into the supply chains of its direct and indirect suppliers; therefore, the CRA does not have any information to report on its supply chains other than the locations of the prime contractors with whom the CRA does business. Of the 158 new goods contracts (excluding amendments) awarded in the 2024-2025 financial year, 86% were with suppliers having a Canadian address with a total procurement value of \$7,500,354.

2.2 Steps taken by the CRA to prevent and reduce the risk of forced labour and child labour in its activities and supply chains

During the reporting period, the CRA has taken the following proactive steps to safeguard its procurement supply chains from the risk of forced labour and child labour, and to ensure that the CRA does business with ethical suppliers.

Conducting an internal assessment of risks of forced labour and/or child labour in the CRA's activities and supply chains

The GC continues to face challenges in gaining comprehensive visibility into its supply chains. Consequently, the CRA relies on the findings of PSPC's 2021 Risk analysis of human trafficking, forced labour, and child labour in PSPC's procurement supply chains,⁴ to identify the risk of forced or child labour in all its activities and supply chains. PSPC's risk analysis identified the top 10 commodities, based on the general classes of

³ E-catalogues enable our clients to conveniently access and purchase goods and services listed under specific contracts directly online. Developed and maintained within the CRA's e-procurement tool, Synergy, the e-catalogue streamlines the procurement process by offering a comprehensive and searchable online catalogue of items that have been contracted for.

⁴ [Risk analysis of human trafficking, forced labour, and child labour in Public Services and Procurement Canada's procurement supply chains - Executive Summary](#)

Goods and Services Identification Number (GSIN) codes, that were at the highest risk of exposure to human trafficking, forced labour and child labour.

In order to complete its own high-level risk assessment, the CRA identified the total value of all goods contracts awarded between April 1, 2024 and March 31, 2025, broken down by GSIN code, and then mapped the results to PSPC's top 10 GSIN codes representing the highest risk of exposure to human trafficking, forced labour and child labour.

The risk assessment indicated that the CRA commodities representing the highest risk of exposure to human trafficking, forced labour and child labour in their supply chains were office supplies and devices, electrical and electronic equipment components, and clothing, individual equipment and insignia. The total procurement value of these three commodities is \$2,591,135, representing 12% of the total value of all goods procured by the CRA during the 2024-2025 financial year. The detailed risk assessment results are summarized in Table 1 below:

Table 1. CRA's high-risk commodities – 2024-2025

GSIN code description, by class	PSPC risk ranking	CRA procurement value	Percentage of total CRA procurement value – goods
N40 - Rope, Cable, Chain and Fittings	1	0	0%
N54 – Prefabricated Structures and Scaffolding	2	0	0%
N75 – Office Supplies and Devices	3	\$1,810,540	8.4%
N62 – Lighting Fixtures and Lamps	4	0	0%
N83 – Textiles, Leather, Furs, Apparel and Shoe Findings, Tents and Flags	5	0	0%
N78 – Recreational and Athletic Equipment	6	0	0%
N84 – Clothing, Individual Equipment and Insignia	7	\$298,813	1.39%

N63 – Alarm, Signal and Security Detection Systems	8	0	0%
N59 – Electrical and Electronic Equipment Components	9	\$481,782	2.24%
N35 – Service and Trade Equipment	10	0	0%

Developing and implementing an action plan for addressing forced and/or child labour

In April 2023, the CRA created the SEP CoE within the Administration Directorate of the Finance and Administration Branch. The SEP CoE houses subject matter experts dedicated to developing social and ethical procurement programs and supporting tools and resources to advance the CRA's corporate social responsibility (CSR) procurement agenda and ensure that social and ethical considerations are incorporated into the CRA's procurement practices.

During the 2024-2025 financial year, the SEP CoE engaged with internal and external stakeholders to identify social and ethical issues in the procurement process. It continued its efforts in supporting the CRA's CSR agenda by leading initiatives to strengthen awareness of CSR matters, including addressing risks related to forced and child labour in CRA supply chains by conducting environmental scans and market research. The SEP CoE will continue to collaborate with external partners to gather information and review best practices, as well as to share findings with key stakeholders. This approach aims to identify potential initiatives to further mitigate human rights risks in the CRA's supply chains, complementing the CRA's procurement policy direction with a due diligence strategy.

In recent years, the GC expanded its sustainability lens to encompass socioeconomic dimensions by pivoting from a more granular and downstream focus on green procurement and emissions from its operations to considering responsible production and requiring responsible consumption. In doing so, ethical procurement, including the elimination of forced or child labour from the federal government's supply chains, became a more prominent consideration.

In response to these changes, the CRA has started to adapt its application of sound stewardship to encompass social responsibility in addition to expanding its existing environmental considerations. [Section 2.3](#) provides additional details regarding steps the CRA has taken to better address CSR in its procurement activities.

Developing and implementing anti-forced labour and/or -child labour contractual clauses

The CRA leverages PSPC's standard procurement terms and conditions in all of its procurement templates with some modification, necessary to reflect the CRA's unique authorities.

In February 2023, the CRA incorporated PSPC's anti-forced labour contract clauses in all its new goods contracts to ensure that CRA 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. While the legislation itself was not expanded to speak to services and remains limited to goods, in February 2025, the CRA voluntarily expanded its commitment to combat forced and/or child labour by opting to also apply those clauses to its new services contracts, highlighting the CRA's commitment to human rights and ethical governance in all aspects of its operations.

The CRA remains dedicated to working with PSPC and PSC to monitor compliance by using available tools and resources to support the enforcement of the anti-forced labour contract clauses.

Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists

The CRA expects vendors and their sub-contractors to be committed to upholding and promoting international human and labour rights.

In December 2022, the CRA put in place its own Supplier Code of Conduct for Procurement (CRA Supplier Code), which aligns with PSPC's Code of Conduct for Procurement. The CRA Supplier Code has since been included in all CRA bid solicitation and contractual documents. In 2025, the CRA Supplier Code was revised to simplify the language and align with the latest version of the PSPC Code of Conduct for Procurement. Section 2.3 provides additional details regarding these updates.

Developing and implementing training and awareness materials on forced labour and/or child labour

Senior management and procurement specialists at the CRA actively participate in inter-departmental committees, working groups and training events to keep informed of procurement trends, policy changes, strategic initiatives, and their impacts on procurement activities. They collaborate horizontally with colleagues from other federal departments and agencies to share lessons learned and best practices as they relate to the incorporation of social and ethical considerations in procurement policy direction, tools, and processes. Training materials and resources are communicated and shared with relevant groups and employees as they become available.

During the 2024-2025 financial year, CRA procurement officials participated in information sessions focused on the Supply Chains Act. [Section 2.7](#) provides additional details regarding relevant information/awareness sessions and training activities in which CRA procurement officials participated.

2.3 CRA policies and due diligence processes in relation to forced labour and child labour

Embedding responsible business conduct into policies and management systems

In response to the GC's recent shift to a broader focus on socioeconomic sustainability, the CRA started to adapt its application of sound stewardship to encompass social responsibility in addition to expanding its existing environmental considerations. The CRA has committed to this greater focus on the socio-economic aspects of procurement through parallel efforts under its [Departmental Sustainable Development Strategy](#) (which supports the GC's [Federal Sustainable Development Strategy](#)), its [Indigenous Strategy](#), its [Accessibility Plan](#), as well as efforts aimed at strengthening diversity and inclusion.

In November 2024, the CRA finalized and published an updated version of its long standing Procurement and Corporate Social Responsibility Directive, first introduced in 2008, and now renamed the Directive on Corporate Social Responsibility in Procurement and Asset Management. To reflect the GC's broader understanding of sustainability and greater focus on socio-economic considerations, the scope of this directive was significantly expanded by adding asset management considerations. Additional updates were made to reflect that procurement is now increasingly aligned with the GC's national and international CSR goals, with an increased emphasis on management roles and responsibilities as they relate to ethics, values, accountability, transparency, and outcomes as they relate to procurement. Additionally, supporting and related changes were made to other CRA policy instruments to highlight the importance of taking measures aimed at reducing the risk of forced or child labour in the CRA's supply chain.

In December 2024, the CRA also updated its Supplier Integrity Directive to align with the PSPC's revised Ineligibility and Suspension Policy, which expanded consideration of business ethics and CSR as grounds for suspension or debarments (e.g., forced labour, human trafficking and environmental protections).

Additionally, the CRA Supplier Code, implemented in 2022 was updated on March 13, 2025 to ensure alignment with PSPC's most recent update to their Code of Conduct for Procurement. The CRA Supplier Code requires that vendors, providing goods and services to the CRA and their sub-contractors, comply with all applicable laws and regulations. In addition, the CRA Supplier 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.

As a guiding principle, the CRA seeks to work with vendors to ensure a sound understanding of expectations, and to address any apparent lack of compliance with the CRA Supplier Code. If, however, vendors or their sub-contractors are unable or unwilling to comply with the CRA Supplier Code, the CRA reserves the right to take appropriate actions including, but not limited to seeking more information, deeming a bid non-responsive, and potentially terminating the contract. The CRA will continue to monitor and implement any new updates to the CRA Supplier Code to ensure that it remains harmonized with PSPC's expectations and obligations.

2.4 Parts of the CRA's activities and supply chains that carry a risk of forced labour or child labour being used and the steps taken by the CRA to assess and manage that risk

As noted in [section 2.2](#), the GC does not have visibility into its supply chains currently; therefore, the CRA has not been able to conduct a fulsome risk analysis to identify the risk of forced or child labour in all its activities and supply chains. However, using the findings of the 2021 Risk analysis of human trafficking, forced labour, and child labour in PSPC procurement supply chains, the CRA was able to conduct an internal risk assessment to map PSPC's top 10 GSIN codes representing the highest risk of exposure to human trafficking, forced labour and child labour, to the goods procured by the CRA. The findings of this assessment are outlined in [section 2.2](#).

While the legislation was not expanded to speak to services contracts, in February 2025, the CRA added anti-forced labour clauses to the General Conditions (GC) of its services contracts. The same requirements were previously incorporated into the goods GC in January 2023, meaning that all CRA solicitation and contract templates now include anti-forced labour provisions.

The CRA's SEP CoE continues to focus its activities on raising awareness of CSR matters, such as forced and child labour risks in supply chains, while collaborating with external partners to gather information and best practices. The SEP CoE will continue coordinating learning events and disseminating information within the CRA, while exploring tools and resources for its own risk analyses. It will also follow up on any new risk assessment information provided by PSPC, and monitor related follow-up action, including the development of a PSPC Policy on Ethical Procurement.

2.5 Measures taken by the CRA to remediate any forced labour or child labour

Currently, the GC does not have visibility into its vendors' supply chains. In addition, there are challenges in identifying human rights violations such as the use of forced labour and child labour in its supply chains. As a result, the CRA has not been able to identify any forced labour or child labour in its supply chains during the previous financial year, and so it has not taken any measures to remediate forced labour or child labour in its activities and supply chains during the reporting period.

2.6 Measures taken by the CRA 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

Currently, the GC does not have visibility into its vendors' supply chains. In addition, there are challenges in identifying human rights violations such as the use of forced labour and child labour in its supply chains. As a result, the CRA has not been able to identify any forced or child labour in its supply chains during the previous financial year nor take any measures to remediate forced labour or child labour in its activities and supply chains during the reporting period. Consequently, the CRA has not had to take any measures to remediate the loss of income to the most vulnerable families that may result from any measure taken.

2.7 Training to CRA employees on forced labour and child labour

In June 2024, members of the CRA Procurement Review and Oversight Committee (PROC) participated in a presentation prepared by the SEP CoE regarding the new Supply Chains Act. The presentation material from the session were shared with all procurement specialists to raise awareness of the new legislation and provide guidance on reporting requirements.

In January 2025, procurement specialists attended a webinar on forced labour in the electronics supply chains, hosted by PSPC and in collaboration with SSC. This presentation provided an opportunity for the participants to learn about forced labour risks in the electronics industry supply chains, including mitigation and remediation strategies for businesses. While this webinar was not a formal training session, it provided a learning opportunity for procurement specialists, and helped raise awareness of the complexity of modern supply chains and the risks of forced labour.

In February 2025, the SEP CoE coordinated the participation of CRA procurement specialists in the International Contracting Officers forum hosted by PSPC, and for which this year's theme was Combatting Human Trafficking in Government Practices. Participants were able to explore diverse strategies to combat human trafficking in government procurement, and gained insights from the various organizations around the world. Additionally, the forum highlighted practical tools like the [Responsible](#)

[Sourcing Tool](#) to address trafficking risks in supply chains. Following that event, the SEP CoE shared all the presentation material, including links to tools and resources, with the procurement management teams for distribution to all procurement staff members.

2.8 Measures to assess the CRA's effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains

The CRA regularly analyzes the findings of the Office of the Auditor General (OAG) of Canada and the Office of the Procurement Ombud (OPO) procurement practice review reports on activities of common service organizations, as well as high-profile court decisions implicating government procurement. The CRA self-assesses its procurement framework through the lens of the OAG and OPO findings, and develops action plans, including opportunities to integrate social and ethical procurement considerations.

The CRA also regularly conducts environmental scans of the government's social and ethical procurement activities, and undertakes cyclical reviews of its procurement policy direction to ensure it incorporates the social and ethical considerations and aligns with the GC's priorities related to forced labour and child labour.

Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators

The CRA continues to review its active goods contracts to track the number of contracts with anti-forced labour contract clauses, monitor those that do not have such clauses, and implement measures to work with suppliers to include them in upcoming amendments. Additionally, as the CRA looks to increase awareness of ethical procurement practices, it will identify common training/awareness requirements and begin assessing the percentage of procurement staff who have completed the identified training relating to the prevention and elimination of forced and child labour in its supply chain.

Conclusion

The implementation of the Supply Chains Act marks a significant milestone in Canada's commitment to ethical procurement and social responsibility. By identifying, reducing and preventing the use of forced labour and child labour in its supply chains, the GC demonstrates Canada's dedication to upholding human rights and protecting the wellbeing of workers across not only Canada, but the world. The CRA shares this commitment and, through close collaboration, information sharing, and joint initiatives with colleagues from other departments and agencies, it will continue to work to safeguard the integrity of the CRA's supply chains and contribute to a more fair, just and ethical global economy.