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## List of acronyms and abbreviations

Act	Fighting Against Forced Labour and Child Labour in Supply Chains Act
GoC	Government of Canada
PCH	Canadian Heritage
PSPC	Public Services and Procurement Canada
SSC	Shared Services Canada

## Purpose of the Report

The Government of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act) came into force on January 1, 2024. In accordance with section 6 of the Act, the Department of Canadian Heritage (PCH) has prepared this annual report to document the specific steps and measures it has taken during its previous fiscal year (from April 1, 2024 to March 31, 2025) to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods purchased by PCH in the support of its mandates.

## Part 1: Identifying Information

**Name of government institution:** Canadian Heritage

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

## Part 2: Mandatory Report Contents

### 2.1 Structure, activities and supply chains

PCH plays a vital role in the cultural, civic and economic life of Canadians. Our policies and programs promote an environment where Canadians can experience dynamic cultural expressions, celebrate our history and heritage and build strong communities. The Department invests in the future by supporting the arts, our official and Indigenous languages, multiculturalism and our athletes and the sport system.

The Department's mandate is set out in the [Department of Canadian Heritage Act](#) and centres on fostering and promoting Canadian identity and values, cultural development, and heritage.

To achieve its objectives, PCH collaborates with a wide range of partners ranging from the private sector, public institutions and non-profit organizations that serve Canadians to enrich cultural experiences, promote multiculturalism, strengthen identity, and encourage participation in sport within our communities. The Department also engages with Canadians through programs that support a wide range of activities from youth exchanges, through commemorations and celebrations, to high performance sports and multiculturalism. These programs are delivered through our headquarters and five regional offices across the country.

In 2024-25, PCH operated with a budget of \$2.2 billion, with the majority of that budget being for grants and contributions (\$1.9 billion) to eligible recipients in support of the Department’s various programs.

PCH manages assets and procurement activities in accordance with a suite of Treasury Board policy instruments and government-wide procurement initiatives, and in support of its program mandates under its various Ministers.

PCH uses Public Services and Procurement Canada (PSPC) for contracting activities above its own procurement delegation, including contracting for mandatory managed commodities, i.e., regulated goods & services. PCH also uses Shared Services Canada (SSC) to acquire information technology hardware, software, telecommunications and telephony products and services. PSPC supports government institutions in their procurement activities by acting as the central purchasing authority for the Government of Canada. Whenever possible, PCH encourages the acquisition of goods from Canadian suppliers.

PCH awarded a total of 976 contracts during the 2024-25 fiscal year for a total procurement value of \$30.2 million. Of the 976 contracts issued, 840 contracts were for services (86.1%) for a total value of \$27.7 million and 136 contracts for goods (13,9%) for a total value of \$2.5 million. The goods procured by PCH were almost exclusively purchased from suppliers within Canada, with contracts for goods with vendors outside of Canada accounting for 5.1% of the total number of goods contracts issued.

As displayed in Table 1 below listing PCH’s top 5 highest goods categories expenditures, a significant number of goods procured by PCH were processed using PSPC’s or SSC’s pre-established tools and/or contracts.

Table 1: PCH’s top 5 highest goods contract values by commodity area:

Commodity	Values
*Computer Equipment - Client Computing Domain - Desktop / Personal / Portable (Includes related parts and peripherals)	\$921,089.64
*License/Maintenance fees for Client Software	\$468,381.91
*Office Furniture and Furnishings, Including Parts	\$109,762.91
*Other Equipment and Parts	\$339,000.00
*Telecommunications Equipment	\$31,190.70
**Total Value	\$1,869,425.16

\* Centrally managed by PSPC or SSC.

\*\*Total value of top 5 goods acquired in 2024-25 out of a total goods expenditure of \$2.5M.

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

To prevent and reduce the risk of forced and child labour in its activities and supply chains, PCH has integrated PSPC's updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement into its departmental contracting templates. PSPC's updated terms and conditions provide PCH with the option to terminate contracts where there is credible evidence that the goods have been produced in whole or in part by forced labour or human trafficking and imposes obligations on the supplier to not deliver or sell goods or services to Canada manufactured wholly or in part by forced labour. PCH procurement personnel were briefed and made aware of the modifications to contracting templates to ensure all contracts contain the appropriate terms and conditions.

Where feasible, PCH encourages the acquisition of goods and services from Canadian suppliers.

## 2.3 Policies and due diligence in relation to forced labour and child labour

In accordance with amendments to the Treasury Board's Directive on the Management of Procurement, the application of the Code of Conduct for Procurement is mandatory for all PCH procurements as of April 1, 2023. The code applies to vendors who provide goods and services to PCH and requires that suppliers not engage in any form of human and labour rights abuses.

PCH adheres to the rules and regulations that govern federal procurement as defined in the Directive on the Management of Procurement and the Government Contract Regulations for all procurement activities, including for the acquisition of goods.

In November 2021, PSPC introduced anti-forced labour clauses in all goods contracts. PCH uses PSPC Standing Offers and Supply Arrangements whenever appropriate to procure goods, which all include anti-forced clauses in their general conditions. Under the anti-forced labour clauses, suppliers must not deliver or sell any goods to Canada that have been produced wholly or in part by forced labour. PCH has updated its own departmental contracting templates to include PSPC's anti-forced labour clauses for all goods contracts in the general terms and conditions, providing PCH with the option to terminate contracts where there is credible evidence that the goods have been produced in whole or in part by forced labour or human trafficking.

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

In 2024-25, PCH conducted a risk assessment similar to the previous year again based on the findings of PSPC's 2021 Risk analysis of human trafficking, forced labour and child labour in PSPC's procurement supply chains.

PCH's risk assessment for 2024-25 demonstrates that purchases of electrical and electronic equipment components remain the area of purchased goods at PCH carrying a higher risk of forced labour or child labour being used. For PCH, the total value of contracts for electrical and

electronic equipment components was \$0.3 million in 2024-25, representing a relatively small portion of PCH's overall procurement budget. These are goods acquired almost exclusively through PSPC and SSC and are subject to their terms and conditions.

#### 2.5 Measures taken to remediate any forced labour or child labour

No remediation measures have been required during fiscal year 2024-25.

#### 2.6 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

As PCH did not identify any instances of forced labour or child labour in its procurement activities and supply chains, no actions have been necessary to remediate the income loss experienced by the most vulnerable families.

#### 2.7 Training to employees on forced labour and child labour

Its contracting officers have been briefed on existing information and guidance available on the matter to ensure they have a sufficient awareness of the law to ensure compliance in PCH contracting activities. PCH will implement any new guidance and training materials as they are made available to departments by central agencies such as PSPC.

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

PCH has not put any department-specific measures in place to detect forced labour and child labour in its supply chains, relying largely on PSPC and SSC's supply chains for goods. As such, no measures to assess the department's effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains have been implemented during fiscal year 2024-25 since most contract are procured through PSPC and SSC.

### Conclusion

Due to the nature of its mandate requiring only relatively limited purchases of goods and given PCH's heavy reliance on PSPC and SSC procurement mechanisms, PCH is limited in its ability to take additional measures to those taken by PSPC and SSC to combat forced labour and child labour within its supply chains. PCH remains committed to increasing awareness and improving business practices as required and will continue to adhere to guidance and measures provided by central agencies.