

## Communications Security Establishment Canada

2025 Annual Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

## Background

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act) came into force on January 1, 2024.

The Act stipulates that any **government institution** producing, purchasing, or distributing goods and services in Canada or elsewhere must, on or before May 31 of each year, submit a report to the Minister of Public Safety. The report must detail the steps the government institution has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods produced, purchased, or distributed by the government institution.

The Act's reporting obligations also apply to entities producing goods in Canada or elsewhere or importing goods produced outside Canada.

This document was developed as a resource for government institutions that are subject to the annual reporting obligation under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act). Government institutions may use this document as a guide when preparing their reports to ensure all required information is included in accordance with the Act.

To submit an annual report to Public Safety Canada, government institutions must complete a mandatory [online questionnaire](#) designed to collect submission information and information relevant to the requirements of the Act. The final reports must be uploaded in PDF format at the end of the completed questionnaire in English and French.

More detailed guidance for government institutions, including information on the application of the Act and the reporting process, is available on the Public Safety Canada website at the following link: [Guidance for Government institutions](#). Government institutions are strongly encouraged to consult the guidance prior to preparing their report.

Further inquiries on the Act can be sent by email to: [ps.scai-lcae.sp@ps-sp.gc.ca](mailto:ps.scai-lcae.sp@ps-sp.gc.ca)

More detailed guidance for government institutions will be published on the Public Safety Canada website at the following link:

<https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-sply-chns/index-en.aspx>.

## Overview: Government institutions' reporting obligations

**Who:** The Act defines “government institution” as having the same meaning as in section 3 of the *Access to Information Act*. Section 3 defines a government institution as:

- any department or ministry of state of the Government of Canada, or any body or office, listed in Schedule I; and
- any parent Crown corporation, and any wholly owned subsidiary of such a corporation, within the meaning of section 83 of the *Financial Administration Act*.

Per section 5 of the Act, reporting obligations apply to any government institution producing, purchasing or distributing goods in Canada or elsewhere.

**Why:** As stipulated by section 3 of the Act, the purpose of the legislation is to contribute to the implementation of Canada's international commitment to fight against forced labour and child labour. The Act aims to achieve this through the imposition of reporting obligations on government institutions producing, purchasing or distributing goods in Canada or elsewhere; and entities producing goods in Canada or elsewhere or importing goods produced outside Canada.

**What:** Per section 6 of the Act, the head of every government institution (whose activities include producing, purchasing, or distributing goods in Canada or elsewhere) must report annually to the Minister of Public Safety. The report must include the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods produced, purchased or distributed by the government institution.

The report must also include the following information in respect of the government institution:

- a) its structure, activities, and supply chains;
- b) its policies and due diligence processes in relation to forced labour and child labour;
- c) the parts of its activities and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk;
- d) any measures taken to remediate any forced labour or child labour;
- e) any 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 its activities and supply chains;
- f) the training provided to employees on forced labour and child labour; and
- g) how the government institution assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

Per section 8 of the Act, the head of every government institution must ensure their report is made available to the public by including by publishing it in a prominent place on the government institution's website.

Per section 22 of the Act, government institutions' annual reports will be held in an electronic registry on the Public Safety Canada website that is accessible to the public.

Government institutions' reports must be available in both Canadian official languages, as per obligations relating to communications with and services to the public (Part IV) and language of work (Part V) under the *Official Languages Act*.

**When:** Reports must be submitted to the Minister of Public Safety on or before May 31 each year and must reflect the activities undertaken in the government institution's previous financial year. The first report will represent FY 2023-24.

**How:** All government institutions producing, purchasing or distributing goods are required to develop a report and complete an online questionnaire via the Public Safety Canada website. In addition, at the end of the questionnaire, government institutions will be required to upload their completed report in both official languages. Reports must be submitted in PDF format, each not exceeding 100MB in size.

The online questionnaire asks government institutions to confirm that they have read and understand the information in the data management disclaimer and privacy notice statement at the beginning of the questionnaire. Government institutions will also be asked to provide the name, title and email address of the person authorized to fill out the questionnaire, in case additional details regarding the submission are required.

To support government institutions and ensure all information required under the Act is included in their reports, an optional template has been developed and is outlined in section **Error! Reference source not found.** below.

It is expected and required that government institutions follow the reporting obligations as set out in the Act to the best of their ability and seek legal counsel, as needed, to ensure their obligations under the Act are fulfilled.

## PART 1: SUBMISSION INFORMATION

\* **Communications Security Establishment Canada (CSE)**

\* **FY 2024/2025 (April 1<sup>st</sup>, 2024 – March 31<sup>st</sup>, 2025) – May 31, 2025, deadline**

## PART 2: REPORT CONTENTS

### 2.1 Information on the government institution's structure, activities, and supply chains

CSE is an agency that procures goods and services both domestically and internationally.

CSE has incorporated the updated General Conditions for goods and services contracts and the Code of Conduct for Procurement from PSPC into its procurement activities.

To address the risk of forced labour and child labour in our supply chain, CSE has leveraged several PSPC tools designed to enhance transparency and ethical procurement practices, including:

- Standing Offers
- Supply Arrangements
- Anti-forced labour contract clauses

While PSPC plays a key role as the central purchasing agent for the Government of Canada, CSE conducts procurement independently under its own authority, separate from PSPC-managed tools and frameworks.

In the previous fiscal year, CSE procured goods and services under its own authority, and continues to monitor its procurement practices to ensure compliance with the evolving standards set forth by both PSPC and the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

## 2.2 Information on the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods produced, purchased or distributed by the government institution

At Communications Security Establishment Canada (CSE), approximately 2% of the annual value of our purchases were made using Public Services and Procurement Canada (PSPC) tools, such as Standing Offers and Supply Arrangements. Additionally, 58% of our purchases were made through PSPC using other procurement channels.

Since November 2021, PSPC has implemented anti-forced labour clauses in all goods and services contracts. These clauses ensure that PSPC could terminate contracts where credible evidence exists that goods and services were produced, in whole or in part, using forced labour or human trafficking. Furthermore, as of November 20, 2023, all PSPC Standing Offers and Supply Arrangements for goods and services issued, amended, or refreshed have incorporated these anti-forced labour clauses.

In line with this, all our contracts for goods and services resulting from the use of PSPC tools include these clauses, which stipulate, among other things, human rights and labour rights requirements. These clauses are detailed in Policy Notification 150 – Anti-forced Labour Requirements.

For the 2024-2025 fiscal year, CSE purchased 29% of our annual value through Shared Services Canada (SSC) for IT equipment under available SSC methods of supply, such as non-specialized equipment and Commercial Off-The-Shelf (COTS) products. Additionally, 11% of our annual value was purchased under our own procurement authority.

In accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, CSE is continuing to assess, monitor, and report on any suppliers that may pose a risk regarding the use of forced labour and child labour. As a department, we are actively working to ensure that all procurement practices align with the Act's requirements and prevent the presence of forced or child labour in our supply chains.

## 2.3 Information on the policies and due diligence processes in relation to forced labour and child labour

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 (except for the Canada Revenue Agency) and commissions established under the Inquiries Act to incorporate the Code of Conduct for Procurement ("the Code") into their procurement processes.

As per these amendments, CSE has integrated the Code into all our procurement activities, aiming to safeguard the federal procurement supply chain from the risks of forced labour and child labour. Contracts awarded by our organization include provisions from the Code through the standard procurement clauses used.

The Code mandates that vendors supplying goods and services to the Government of Canada—and their subcontractors—comply with all applicable laws and regulations. Additionally, the Code specifically requires that vendors and their subcontractors adhere to Canada’s prohibition on importing goods produced, either wholly or partially, through forced or compulsory labour, which includes both forced child labour and forced labour. This applies to all goods, regardless of their country of origin.

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

Furthermore, as per the Fighting Against Forced Labour and Child Labour in Supply Chains Act, CSE has been closely monitoring and reviewing our procurement processes to ensure that forced and child labour risks are effectively mitigated. We continue to evaluate, refine, and enhance our due diligence efforts to fully comply with the Act’s requirements for assessing, preventing, and addressing the presence of forced and child labour in our supply chains.

#### **2.4 Information on the parts of its 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 May 2021, a risk analysis of PSPC’s supply chains was completed by 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. We took note of the findings and recommendations of this risk analysis, and are monitoring related follow-action, including the implementation of the Policy on Ethical Procurement and the development of a human rights due diligence framework.

Also, SSC is committed to ongoing risk identification, promotion and development of mitigation practices, and ongoing activities to raise awareness within its procurement community and engage with industry and strategic partners.

At Communications Security Establishment Canada (CSE), we recognize the potential risks of forced labour and child labour within global supply chains, particularly in the procurement of goods such as electronics and IT equipment, where upstream sourcing may involve regions with weaker labour protections or enforcement. While CSE currently does not have formal risk assessments or internal policies specifically dedicated to these issues, steps are being taken to align with federal efforts and enhance awareness.

### **Current Risk Areas**

CSE procures goods and services both domestically and internationally, including IT hardware and specialized equipment. These categories have been identified across government as carrying elevated risk for exposure to forced or child labour in upstream supply chains.

### **Assessment and Risk Management Steps**

- **Third-Party Verification Through CCCS:**

CSE's procurement processes related to IT requirements are supported by Shared Services Canada (SSC) and Public Services and Procurement Canada (PSPC). These contracts are subject to Supply Chain Integrity (SCI) verification conducted by the Canadian Centre for Cyber Security (CCCS), which reviews suppliers from a national security standpoint, including potential risks related to integrity and foreign interference. While not explicitly focused on labour violations, this process contributes to overall supply chain risk management.

- **Use of PSPC and SSC Procurement Channels:**

CSE primarily relies on PSPC and SSC procurement tools (e.g., Standing Offers and Supply Arrangements), which incorporate anti-forced labour clauses where applicable. However, CSE contracts issued under its own procurement authority do not yet include specific clauses addressing forced or child labour. These will be integrated once official language is provided by PSPC.

- **Guidance and Awareness:**

CSE has not yet developed a formal internal policy on forced or child labour but has issued internal guidance on the topic. In addition, CSE references these issues within its broader procurement training on social procurement, and an awareness one-pager is available internally to support staff in understanding the Government of Canada's expectations.

- **Planned Improvements:**

CSE is monitoring developments from PSPC, including the release of standardized contract clauses and training materials, and plans to update procurement templates and internal practices accordingly. As guidance evolves, CSE will continue to assess opportunities to strengthen its due diligence framework.

## **2.5 Information on any measures taken to remediate any forced labour or child labour.**

Following our internal review and supply chain assessment activities during the reporting period, Communications Security Establishment Canada (CSE) did not identify any instances of forced labour or child labour in its procurement activities or supply chains. As such, no remediation measures were required, and this section is considered not applicable at this time.

CSE remains committed to ongoing monitoring and to implementing appropriate remediation measures should any future concerns arise.

## **2.6 Information on any 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.**

During the reporting period, Communications Security Establishment Canada (CSE) did not identify any instances of forced labour or child labour in its procurement activities or supply chains. As a result, no actions were taken that would have led to a loss of income for vulnerable families, and therefore, no remediation measures were required in this context. This section is considered not applicable currently.

CSE will continue to monitor developments and ensure appropriate mitigation or remediation measures are considered should future actions result in such impacts.

## **2.7 Information on the training provided to employees on forced labour and child labour**

As of the latest reporting period, CSE does not provide specific training to employees on forced labour and child labour. However, CSE is aware that PSPC is currently developing awareness-raising guidance materials, including risk mitigation strategies, targeted towards high-risk sectors. CSE is monitoring the development of these materials and plans to leverage these resources upon their publication to enhance internal training and awareness efforts.

## **2.8 Information on how the government institution assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains**

Communications Security Establishment Canada (CSE) does not currently have formalized policies or procedures in place to assess the effectiveness of measures aimed at preventing forced labour and child labour in its in-house procurement activities. While CSE incorporates general guidance into procurement practices and references labour risks in internal training related to social procurement, formal assessment mechanisms have not yet been established. CSE is actively monitoring the development of standardized clauses, training materials, and risk mitigation guidance from Public Services and Procurement Canada (PSPC), which will be integrated into procurement templates and processes upon publication. In the interim, procurements conducted through PSPC and Shared Services Canada (SSC) benefit from established anti-forced labour measures and Supply Chain Integrity (SCI) reviews by the Canadian Centre for Cyber Security (CCCS).

CSE uses PSPC for 68% of goods and 23% for services and SSC for 29% of goods and 32% for services of their purchases, who are monitoring related follow-action, including the development of a Policy on Ethical Procurement.



## Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Communications Security Establishment Canada.

Dated at OTTAWA this 5 day of June 2025.

A handwritten signature in blue ink, appearing to read 'Caroline Xavier', written over a horizontal line.

**Caroline Xavier**  
Chief, CSE