

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

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2024 – 2025 Report



## About This Report

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) came into force on January 1, 2024. The Act stipulates that any government institution producing, purchasing or distributing goods 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.

Consequently, Public Health Agency of Canada has created and submitted this annual report, for the fiscal year 2024 – 2025 (i.e., from April 1, 2024 to March 31, 2025), to the Minister of Public Safety on the steps it has taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods, purchased or distributed by the Public Health Agency of Canada.

As per *section 8* of the Act, this report has been made available to the public, including by publishing it in a prominent place on Public Health Agency of Canada’s website. In addition, per *section 22* of the Act, Public Health Agency of Canada’s annual reports will be held in an electronic registry on the Public Safety Canada (PSC) website that is accessible to the public.

More detailed information on the Act and reporting obligations can be found on PSC’s [website](#).

**Contents**

- List of Abbreviations..... 4
- About Public Health Agency of Canada ..... 5
- Structure, Activities and Supply Chains ..... 5
- Steps to Prevent and Reduce the Risk of Forced or Child Labour..... 6
- Policies and Due Diligence Processes..... [78](#)
- Activities and Supply Chains That Carry a Risk of Forced Labour or Child Labour ..... 8
- Measures Taken to Remediate Any Forced Labour or Child Labour ..... 9
- Measures Taken to Remediate Loss of Income..... 9
- Training..... 9
- Assessment of Effectiveness ..... [940](#)
- Moving Forward ..... [940](#)
- References ..... 11

## List of Abbreviations

Act	Fighting Against Forced Labour and Child Labour in Supply Chains Act
Code	Code of Conduct for Procurement
PHAC	Public Health Agency of Canada
PSC	Public Safety Commission
PSPC	Public Services and Procurement Canada
SSC	Shared Services Canada
TBS	Treasury Board of Canada Secretariat

## About Public Health Agency of Canada

The Public Health Agency of Canada (PHAC) delivers on the Government of Canada's commitment to help protect the health and safety of all Canadians. Our activities focus on:

- Promoting health;
- Preventing and controlling chronic diseases and injuries;
- Preventing and controlling infectious diseases;
- Preparing for and responding to public health emergencies;
- Serving as a central point for sharing Canada's expertise with the rest of the world;
- Applying international research and development to Canada's public health programs; and
- Strengthening intergovernmental collaboration on public health and facilitating national approaches to public health policy and planning <sup>1</sup>.

PHAC is part of the Health Portfolio which includes, Health Canada, Canadian Food Inspection Agency, Patented Medicine Prices Review Board, and Canadian Institutes of Health Research <sup>2,3</sup>.

The Agency will continue to work closely with federal, provincial, territorial, Indigenous and international partners to support scientific advancement, share best practices and create the conditions for healthy people in Canada and communities in a healthier world <sup>3</sup>.

## Structure, Activities and Supply Chains

The Agency has a centralized approach to procurement, with the Procurement and Investment Management Directorate under the Chief Financial Officer Branch of Health Canada delivering centralized procurement and contracting services to Health Canada and PHAC, through a Shared Services Partnership, to support and advance the respective mandates.

Procurement is governed by a robust management framework that supports effective program delivery and the achievement of best value with consideration of socio-economic, environment and Indigenous objectives. Oversight for the procurement function is provided through governance, defined roles and responsibilities and processes, systems and controls, and reporting mechanisms to facilitate fair, open and transparent procurement activities.

PHAC utilizes the following mechanisms and tools to purchase goods:

- PHAC's delegated authority to purchase goods, and requesting common services providers such as Public Services and Procurement Canada (PSPC) and Shared Services Canada (SSC) to conduct the procurement when above our delegated authority.
- Procurement tools such as standing offers and supply arrangements put in place by PSPC and SSC.
- PHAC's emergency authority when there is a situation that meets the criteria for a pressing emergency.

Goods that are frequently procured for the Agency include, but are not limited to, pharmaceutical and other medicinal products, laboratory and medical supplies, materials and supplies such as optical and laboratory instruments and supplies, and computer equipment. Overall, the Agency's activities involve purchasing and distributing goods, both within and outside of Canada.

## Steps to Prevent and Reduce the Risk of Forced or Child Labour

Since November, 2021, PSPC and SSC have implemented anti-forced labour clauses in all goods contracts to ensure that they 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. Additionally, since November 20, 2023, all PSPC and SSC Standing Offers and Supply Arrangements for goods that have been issued, amended, or refreshed include anti-forced labour clauses.

PHAC is making active efforts to prevent and mitigate the risks associated with forced labour and child labour in our procurement processes. As such, all of our contracts for goods resulting from the use of PSPC and SSC's tools include the aforementioned clauses relating to forced labour, which set out, among other things, human rights and labour rights requirements. These clauses can be found in [Policy Notification 150 – Anti-forced labour requirements](#).

Furthermore, the Agency has integrated PSPC's Standard Contract Clauses including PSPC's [Code of Conduct for Procurement](#) (the "Code") in our purchasing activities. The Code outlines expectations and obligations for contractors and their subcontractors who respond to bid solicitations, and prohibits them from engaging in practices related to human trafficking, forced labour and child labour.

PHAC is aware that PSPC has developed awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. The Agency will leverage these materials to guide our suppliers and safeguard our supply chains from

forced labour and child labour. Other initiatives taken by the Agency include, but are not limited to:

- Integrating the Act's considerations in the Agency's Procurement Management Framework.
- Updating the existing procurement checklists, operating instructions, procedures and guidance to identify and amend areas where the Act's considerations can be reinforced.
- Integrating the Act's considerations into the annual investment and procurement planning processes to create awareness and support business owners in early planning.
- Creating awareness by adding PSPC and SSC's Webinar on Forced Labour in the Electronic Supply Chains to the list of Procurement Learning resources for business owners.
- Broadcasting all internal and external initiatives and updates pertaining to the Act and the related reporting requirements to PHAC's procurement community via internal communications mediums.
- Participating in International Contracting Officers Forum 2024 on the topic of human trafficking in global supply chains, and what government procurement bodies are doing to help address this issue.
- Continued monitoring of contractor status via the list of Ineligible and Suspended Suppliers under the Ineligibility and Suspension Policy managed by PSPC's Office of Supplier Integrity and Compliance, prior to awarding any contracts.
- Continued inclusion of the Code of Conduct for Procurement in solicitation documents.
- Key commodities procured by the Agency at a higher risk of having vendors engaged in forced labour and human trafficking activities were identified through the findings of the report, *Risk Analysis of Human Trafficking, Forced Labour, and Child Labour in Public Works and Government Services Canada's (PWGSC's) Procurement Supply Chains (May 2021)*.

Going forward, the Agency is committed to building on its action plan initiatives to better understand key areas of risk of forced labour and child labour in our supply chains, and implement measures to mitigate these practices.

## Policies and Due Diligence Processes

Effective April 1, 2023, amendments to the [Treasury Board Directive on the Management of Procurement](#) require contracting authorities from all departments and agencies 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 into their procurements.

The Code requires that vendors, 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.

Pursuant to the aforementioned amendments, PHAC has integrated the Code into our procurement processes, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that our organization has awarded included the Code through the General Conditions for goods.

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.

## **Activities and Supply Chains That Carry a Risk of Forced Labour or Child Labour**

In May 2021, a risk analysis of PSPC's supply chains was completed by the Rights Lab, of the University of Nottingham (United Kingdom), 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.

The Agency took note of the findings and recommendations of the risk analysis, and are monitoring related follow-up actions, including the implementation of the *Policy on Ethical Procurement* and the development of a human rights due diligence framework.

In addition, the findings of the risk analysis were also used as the foundation to initiate an internal analysis at PHAC, via the annual investment and procurement planning exercise, to identify goods which are likely at risk of exposure to forced labour and child labour.

Preliminary results indicate more analysis is needed to understand and identify our high-risk commodities, and the associated sectors and industries to mitigate the risk of forced labour and child labour in our activities and supply chains.

Furthermore, SSC is also 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.

### **Measures Taken to Remediate Any Forced Labour or Child Labour**

PHAC has not identified any instances where remediation of any forced labour or child labour was required, as no cases were identified in fiscal year 2024 – 2025. As the Agency continues on our research and analysis, guidance for remediation will be established as needed.

### **Measures Taken to Remediate Loss of Income**

PHAC has not identified any instances where remediation was required as no cases were identified in fiscal year 2024 – 2025. As work continues to identify and implement measures to mitigate risks of forced or child labour, strategies to remediate the loss of income to the most vulnerable families affected by the measures will be explored as needed.

### **Training**

PHAC is aware that PSPC has developed and is currently piloting a course for procurement officers. The Agency will leverage these resources upon their publication in support of a consistent government-wide strategy, and create its own supporting tools, policies and procedures as appropriate.

Additionally, PHAC will continue to create awareness for its contracting authorities through information sessions and updates during regular team meetings. Earlier in 2025, PSPC and SSC's Webinar on Forced Labour in the Electronic Supply Chains was added to PHAC's list of Procurement Learning resources.

### **Assessment of Effectiveness**

In accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act which came into effect in January 2024, PHAC continues to identify and implement measures to ensure that forced labour and child labour are not being used in our contracts. Initiatives are underway to prevent and reduce the risk of forced labour and child

labour in PHAC's supply chains. This includes the review of potential assessment frameworks in use in other jurisdictions with a view to adjusting PHAC's activities as appropriate. Future reporting will include more details on PHAC's progress in this area.

## Moving Forward

In response to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, PHAC began research and analysis to mitigate the risk of forced labour and child labour in our activities and supply chains. Efforts will continue to advance the research and analysis of the contractors involved in supplying the specialized goods required by PHAC, establish new and amend existing processes and procedures to mitigate the risks of these abhorrent practices, and create awareness in the contracting and business owner communities. Pertaining to the Act, the Agency recognizes the responsibility to ensure that exploitive practices are addressed and eradicated from our supply chains. PHAC remains committed to increasing awareness, conducting fair, open, and transparent procurement processes, and reviewing, amending and improving business practices as a whole.

## References

1. Public Health (2023, November 1). *About the Public Health Agency of Canada*. [About the Public Health Agency of Canada - Canada.ca](#)
2. Health Canada. (2024, February 12). *Health Portfolio*. [Health Portfolio - Canada.ca](#)
3. Public Health Agency Canada. (2023, February). *The Public Health Agency of Canada 2024-25 Departmental Plan*. [The Public Health Agency of Canada 2024–25 Departmental Plan - Canada.ca](#)