



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

Transport Canada - 2025 Annual Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

SUBMISSION INFORMATION

This report is submitted on behalf of Transport Canada and covers activities from April 1, 2024, to March 31, 2025.

Structure, activities and supply chains



Indicate which of the following describes Transport Canada's structure:

- Federal department or agency

Describe how Transport Canada engages in the following activities*:

- Purchasing goods
 - in Canada
 - outside Canada

At Transport Canada, approximately 44% of the annual value of our purchases were made through the use of PSPC tools such as Standing Offers and Supply Arrangements.

Since November, 2021, PSPC implemented anti-forced labour clauses in all goods contracts to ensure that it 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 Standing Offers and Supply Arrangements for goods that have been issued, amended, or refreshed include anti-forced labour clauses. As such, all of our contracts for goods resulting from the use of these tools include clauses relating to forced labour which set out, among other things, human rights and labour rights requirements. These clauses can be found in the policy notification 150 – Anti-forced labour requirements.”

At Transport Canada, approximately 37.6% of the annual value of our purchases were made through the use of Shared Services Canada (SSC) tools such as Standing Offers and Supply Arrangements.

Since November 2021, SSC has implemented anti-forced labour clauses in all goods contracts to ensure that it 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. Furthermore, as of November 20, 2023, all SSC Standing Offers and Supply Arrangements that have been issued, amended, or refreshed include anti-forced labour clauses as part of the general conditions for goods.

As such, all of Transport Canada's contracts for goods resulting from the use of SSC's tools include PSPC's clauses relating to forced labour, which outline, among other things, human rights and labour rights requirements.

The top 5 goods purchased under Transport Canada contracting authority are as follows (Economic Object Code - Description):

- 1256 – Ships and Boats
- 1261 – Road Motor Vehicles
- 1251 – Aircraft Parts
- 1264 – Other Vehicles



- 1231 – Office Furniture and Furnishings, including parts

Steps to prevent and reduce risks of forced labour and child labour



Describe the steps Transport Canada has taken in 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.

Transport Canada has integrated PSPC's Standard Contract Clauses including PSPC's Code of Conduct for Procurement and anti-forced labour clauses in our purchasing activities.

In addition, to prevent and reduce the risk of forced labour or child labour in our procurements, Transport Canada has used the following list of PSPC's tools:

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

PSPC has developed awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. The materials are progressively becoming available on the Canada.ca website.

Transport Canada has used PSPC's awareness materials to guide our suppliers and safeguard our supply chains from forced labour and child labour and is referring its procurement personnel to these materials for awareness. Furthermore, since April 2025,

Transport Canada provides information to employees related to Ethical Procurement through its monthly procurement training sessions. The training is voluntary. In addition, Transport Canada has *also* launched a dedicated web page on Ethical Procurement to provide guidance and resources supporting socially responsible purchasing practices.

The April 1, 2023 amendments to the Treasury Board Directive on the Management of Procurement required several contracting authorities to incorporate the Code of Conduct for Procurement ("the Code") into their procurements. In compliance with these amendments, SSC has integrated the Code into its procurements.

To prevent and reduce the risk of forced labour or child labour in our procurements, Transport Canada has used the following list of SSC's tools to which the Code applies:

- Standing Offers
- Supply Arrangements
- Contracts

As a common service provider, SSC is responsible for ensuring that government departments have access to reliable, secure, and cost-effective IT infrastructure and



solutions, including shared services related to networks and network security, data centres and Cloud offerings, digital communications, and IT tools.

Transport Canada also undertakes activities under its own procurement authority, independently of the aforementioned SSC tools.

The top 5 goods purchased under the Transport Canada contracting authority are as follows (Economic Object Code - Description):

- 1256 – Ships and Boats
- 1261 – Road Motor Vehicles
- 1251 – Aircraft Parts
- 1264 – Other Vehicles
- 1231 – Office Furniture and Furnishings, including parts

Policies and due diligence processes in relation to forced labour and child labour

Indicate whether Transport Canada has policies and/or due diligence processes in place related to forced labour and/or child labour and, if applicable, describe these policies and/or processes.

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 (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 (“the Code”) into their procurements.

The Code requires that vendors, providing goods 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, Transport Canada has continued to integrate the Code into its procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that Transport Canada 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.



Identifying parts of your institution's activities and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage those risks

Indicate whether Transport Canada has identified the parts of its activities and supply chains that carry a risk of forced labour or child labour being used.

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.

Transport Canada 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.

Additionally, 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. Transport Canada will continue to reach out to SSC for relevant updates regarding their ongoing work to assess forced labour and child labour risks in their activities and supply chains.

Indicate the aspects of Transport Canada's activities and/or supply chains that have been identified as carrying forced labour or child labour risks.

Not applicable

Indicate whether Transport Canada identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries:

Transport Canada has not identified any forced labour or child labour risks in its activities and supply chains.

Measures taken to remediate any forced labour or child labour

Indicate whether Transport Canada has taken any measures to remediate any forced labour or child labour in its activities and supply chains.

Not applicable



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

Indicate in the report whether Transport Canada has taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced or child labour in its activities and supply chains.

Not applicable

Training provided to employees on forced labour and child labour

Indicate whether Transport Canada currently provides training to employees on forced labour and/or child labour.

Since April 2025, Transport Canada provides information to employees related to Ethical Procurement through its monthly procurement training sessions.

In addition, Transport Canada has launched a dedicated web page on Ethical Procurement to provide guidance and resources supporting socially responsible purchasing practices.

Transport Canada is also aware that PSPC has developed and is currently piloting a course for procurement officers. Transport Canada will leverage the course upon its publication.

Additionally, 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. Transport Canada will continue to reach out to SSC for relevant updates regarding their ongoing work to assess forced labour and child labour risks in their activities and supply chains.

Assessing effectiveness in ensuring that forced labour and child labour are not being used in activities and supply chains



Indicate whether Transport Canada currently has policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. If applicable, describe the methods used by your government institution to assess its effectiveness.

Transport Canada is currently developing policies and procedures to assess our effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.