

ANNUAL REPORT

on

Fighting Against Forced Labour and Child Labour in Supply Chains Act

(commonly referred to as the Modern Slavery Act)

Reporting Period:

April 1, 2025 - March 31, 2026



1. INTRODUCTION

As part of its ongoing commitment to ethical and responsible business practices, The Salvation Army continues to take meaningful steps to prevent and address all forms of modern slavery, including forced labour and child labour, within its operations and supply chains. Now in its third year of reporting under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), The Salvation Army remains focused on strengthening its governance, procurement practices, and internal processes to support continued compliance and accountability.

Over the past fiscal year, The Salvation Army has continued to advance initiatives aimed at promoting transparency, enhancing oversight, and encouraging responsible sourcing practices across the organization. As one of Canada’s largest non-governmental direct providers of social services, The Salvation Army is guided by values rooted in human dignity, social responsibility, and the protection of vulnerable individuals and communities. These principles continue to shape the organization’s approach to supplier engagement, operational practices, and ongoing compliance with the Act.

Building on the policies and measures established in previous reporting periods, this year The Salvation Army continued to strengthen its approach to ethical sourcing and responsible procurement through the implementation and use of its Supplier Code of Conduct. The Code of Conduct has been incorporated into supplier onboarding and engagement processes to reinforce supplier accountability and communicate clear expectations regarding compliance with labour standards, human rights principles, and the prohibition of forced labour and child labour within supply chains.

In addition to supplier engagement efforts, The Salvation Army has also placed greater emphasis on education and awareness initiatives for staff involved in procurement and operational activities. These efforts are intended to help employees better understand the impact of their decisions and actions in identifying, preventing, and mitigating risks related to forced labour and child labour. Through continued supplier accountability measures and internal awareness initiatives, The Salvation Army remains committed to promoting ethical business practices, social responsibility, and ongoing compliance with the Act.

Building on the work introduced in the previous reporting period, The Salvation Army has continued to strengthen its efforts to combat modern slavery and human trafficking (MSHT) through a combination of education, awareness, prevention, and advocacy initiatives. These efforts included the implementation of a National Fight for Freedom Strategy focused on prevention, education, survivor support, and advocacy, as well as staff-focused initiatives such as workshops, webinars, internal training, and a modern slavery and human trafficking certificate program designed to enhance organizational awareness and accountability. Together, these initiatives reflect The Salvation Army’s ongoing commitment to promoting human dignity and addressing exploitation in all its forms.

During the past fiscal year, The Salvation Army continued to expand and strengthen its efforts to combat modern slavery and human trafficking across Canada. As the Territorial Modern Slavery and Human Trafficking Response Committee entered its fifth year of advancing the Fight for Freedom strategy, the organization focused on further integrating anti-trafficking initiatives into its programs and operations while continuing to build leadership, collaboration, and community engagement.

The Salvation Army remains committed to supporting individuals at risk, survivors, and their families through established survivor engagement, support, and recovery programs, while also working to reduce the demand that contributes to exploitation. The organization continues to provide a range of ongoing support services and initiatives, including:

- (a) Victim Advocacy
- (b) Crisis/Emergency Intervention
- (c) Safety Planning
- (d) Short and Long-Term Housing Supports
- (e) Trauma Informed Care
- (f) Survivor Peer Support
- (g) Access Legal Assistance
- (h) Life Skills Training
- (i) Economic Training
- (j) Education and Training
- (k) Survivor Led Case Management
- (l) Mental Health and Addictions Support
- (m) Sex Buyer Accountability Programs
- (n) Prevention and Protection Work

For more information on the Salvation Army’s response to modern slavery and human trafficking, and its impact in 2025, please visit: [Modern Slavery and Human Trafficking Response 2025 Impact Report](#).

2. OVERVIEW OF ENTITLES SUBJECT TO THE REPORT

(a) Structure, Activities and Supply Chains

Structure

Since commencing operations in Canada in 1882, 15 years after confederation, The Salvation Army has evolved into one of the country’s largest non-governmental direct providers of social services. Guided by founder William Booth’s belief that meeting basic human needs is essential to supporting individuals and communities, the organization embraced the principle of “soup, soap and salvation.” This philosophy laid the foundation for the broad range of community and social service programs delivered today, many of which are provided in collaboration with various levels of government.

The Governing Council of The Salvation Army in Canada is a federally incorporated corporation that was created by a special Act of Parliament in 1909. The general objects and purposes of the corporation are:

- the administration of the temporalities and management of property and real estate of The Salvation Army.

- to receive and hold both real and personal property, to execute trusts thereof.
- to enter, make, perform and carry out contracts consistent with the charitable, educational and religious purposes of The Salvation Army; and
- to take and hold by lease, gift, purchase, grant, devise, or bequest any property, real and personal, for the objects of the said corporation.

Accordingly, The Salvation Army as a corporation may, throughout Canada, establish, build, lease, maintain, manage and operate:

- (a) buildings and places for meetings, religious or secular, of The Salvation Army.
- (b) offices for the transaction of its business.
- (c) homes for its officers and, subject to provincial laws, schools, and colleges for their education and training.
- (d) emergency, transitional and supportive housing programs.
- (e) hospitals, hospices and long-term care homes.
- (f) emergency, transitional and supportive accommodation services for women and families.
- (g) childcare, preschools, camps and resource centres for families.
- (h) immigrant and refugee services.
- (i) generally, any buildings necessary for carrying out the charitable, educational, religious or other benevolent objects and purposes of The Salvation Army.

The Salvation Army in Canada operates 258 community churches, 222 thrift stores, 44 community family service units and 104 diverse social service institutions. These include emergency shelters, addiction and mental- health programs, long-term care and supportive housing for seniors, childcare centres, residences for individuals with cognitive disabilities, and correctional and justice services programs. The Salvation Army is supported by 1,400 active and retired officers (clergy), nearly 43,000 church members, more than 90,000 active volunteers, and a dedicated workforce of over 9,000 employees. More than 20 Canadian officers and employees serve internationally in countries around the world.

Activities

The Salvation Army provides hope, support, and practical assistance to vulnerable individuals and families, serving more than two million people each year in over 400 communities across Canada and in more than 134 countries worldwide. Through its frontline programs and services, The Salvation Army witnesses the significant impact that poverty can have on individuals and families, including challenges related to housing affordability, food insecurity, and access to health care.

To help address these barriers, The Salvation Army remains actively involved in poverty reduction

through direct service delivery, research, advocacy for public policies and community initiatives, and public awareness efforts aimed at supporting vulnerable populations. The Salvation Army's work is made possible through the generosity of donors and community partnerships, which help provide essential needs and support services that contribute to stable, healthy, and fulfilling lives. The Salvation Army remains committed to responsible stewardship, with approximately \$0.88 of every dollar donated directed toward supporting vulnerable individuals and communities.

For more than 125 years, The Salvation Army's Christmas Kettle campaign has helped raise critical funds to support the growing demand for its programs and services. Over time, the campaign has become one of Canada's most recognized annual charitable initiatives, helping The Salvation Army provide essential support to vulnerable individuals and families across the country.

Funds raised through various campaigns, together with government funding and community partnerships, support a wide range of programs and services, including food banks and meal programs, shelter and housing assistance, rehabilitation and recovery services, long-term and palliative care, seasonal support such as Christmas food hampers and toys, youth and family programs, life-skills training, and emergency disaster services that provide practical, emotional, and spiritual support to those in need.

Last year **2.14 million** visits were made to The Salvation Army in Canada and Bermuda for assistance. In 2025, statistics indicate that The Salvation Army provided the following services:

Residential Support

- **8,130** (Shelter, Addictions, Detox, Mental Health, Supportive Housing, Healthcare and Corrections) beds made available each night across all social programs
- **1.8 million** Bed days (the use of a bed) were used in total for the year across all social programs
- **388** People graduated from addictions and rehabilitation programs
- **3.4 million** Community and shelter meals were distributed

Community Services

- **2.1 million** Visits for food, clothing, or practical assistance.
- **2,865** Children and teens attended Salvation Army summer camps.

Emergency Disaster Services

- **132,842** Visits for assistance when disaster struck.

International Development (88 projects in 32 countries)

- **6,322** Children helped through Brighter Futures Sponsorship Program

Additional Statistics

- **53,279** Interactions through street ministry.
- **15,541** People referred for housing.
- **7,431** People referred for employment.
- **378** Individuals removed from human trafficking situations.
- **16,334** Prison visits.
- **1.4 million** People helped with Food assistance.
- **144,024** School meals provided.
- **125,255** Nutritional snacks and other food items provided.
- **132,834** Visits for Practical Assistance provided (non-food) such as clothing vouchers, furniture, household goods, laundry, winter coats, etc.
- **13,289** Visits through POH.
- **133,441** People assisted through Group programs such as Addiction, Emergency Support, Children/Youth, Family, Women's Programs, among others.
- **23,016** Drop-in day program visits for developmental disabilities individuals and care givers.
- **3,585** Interactions with people attending language training, settlement services and refugee services.
- **251,226** People helped with Christmas assistance including food hampers and toys.
- **886** Interactions through celebrate recovery programs that support people in recovery from substance use.
- **50,126** People assisted through long-term care facilities and senior supportive housing units.
- **819,983** Volunteer hours

Supply Chains

Trade Canada and Bermuda Store

The Trade Store continues to play an important role in supporting the mission of The Salvation Army by sourcing essential products and supplies used across its churches and community operations. Core product offerings remain consistent and include official uniforms, brand wear, promotional materials, and operational supplies such as kettle stands.

During the reporting period, the Trade Store placed greater emphasis on the sourcing and supply of official uniforms. Made-to-measure items, including tunics, skirts, and pants, continue to be provided through a long-standing partnership with a Canadian tailor. Off-the-rack uniforms are sourced through its established counterpart, with ongoing efforts to formalize a direct relationship with a preferred U.S.-based supplier with whom The Salvation Army has maintained a long-term association. Brand wear items, such as shirts and blouses, continue to be procured through Canadian suppliers that engage manufacturing partners in China and the United Kingdom.

OTHERS Global Program

In 2025, The Salvation Army continued to support ethical sourcing and fair trade through the OTHERS Global program, an initiative focused on creating dignified and fairly compensated employment opportunities for artisans, particularly women, in Kenya and Bangladesh. Through the production of handcrafted items such as bags, scarves, jewelry, and homeware, the program connects artisan groups supported through the Army's community initiatives to broader markets while promoting sustainable livelihoods and economic empowerment.

The program operates under a strict code of conduct that promotes non-discrimination, transparency, anti-corruption, and environmental responsibility, reinforcing The Salvation Army's commitment to ethical supply chain practices and social justice. During the reporting period, the Army continued its ongoing support of the program and the continued use of OTHERS products within internal initiatives, including aprons used by the EDS department. These efforts reflect the organization's sustained commitment to responsible sourcing and meaningful community impact.

Ministry Unit Purchases

The Salvation Army continues to permit individual ministry units to procure goods through Canadian suppliers and approved online purchasing platforms, supporting operational flexibility and responsiveness to local needs. While some Canadian suppliers source products internationally, the organization continues to monitor purchasing activities as part of its ongoing due diligence efforts related to forced labour and child labour risks.

During the most recent fiscal year, the number of purchases involving goods shipped into Canada from international suppliers was significantly reduced to less than half of the previous year's volume. This reduction reflects increased awareness and education among ministry units regarding the potential impacts and risks associated with importing goods into Canada. The remaining international purchases involved very low quantities and limited product volumes, primarily consisting of one-time purchases made through online platforms. In many instances, ministry units were not charged customs fees, indicating that products were supplied through established online vendors sourcing primarily from the United States and China. Based on the nature, volume, and frequency of these transactions, The Salvation Army assessed the overall risk related to forced labour and child labour within these purchases as very low.

As part of its ongoing supplier review and due diligence processes, The Salvation Army reviewed its first-tier suppliers during the reporting period and found no evidence of forced labour or child labour within these supply chains.

(b) Policies and Due Diligence Processes

In previous reporting periods, The Salvation Army strengthened its procurement and ethical sourcing practices through updates to its procurement policy and the implementation of a Supplier Code of Conduct for vendors participating in procurement processes, including RFPs.

These measures established expectations related to ethical labour standards, including forced labour, child labour, human trafficking, working conditions, health and safety, and supplier accountability, while reinforcing due diligence and supplier engagement requirements across the procurement process.

During the current reporting period, The Salvation Army introduced additional measures to further support responsible purchasing practices and increase organizational awareness. A “Buy Local” feature was enabled on the Army’s preferred online purchasing platform, allowing Canadian suppliers to appear as prioritized search results. In addition, communication was shared with all ministry units to reinforce the importance of supporting local suppliers and the Canadian economy, while also recognizing that Canadian companies are subject to legislation aimed at combating forced labour and child labour in supply chains.

The Salvation Army also revised its procurement policy to further encourage staff to consider Canadian suppliers when making purchasing decisions. These initiatives are intended to strengthen awareness, support informed procurement decisions, and encourage purchasing from appropriate and lower-risk sources.

(c) Identification and Management of Risks

For the fiscal year ending March 31, 2026, The Salvation Army continued to apply its established methodology for assessing potential risks related to forced labour and child labour within its supply chain. This approach included analyzing direct supplier expenditures, identifying the countries associated with those expenditures, and utilizing the [U.S. Department of Labor’s Better Trade Tool](#) to support country risk identification. Supplier invoices and transaction data were reviewed as part of the assessment process. Travel-related expenditures, including airfare, hotels, taxi services, and car rentals, as well as transactions in foreign currencies such as U.S. dollars, British pounds, Australian dollars, and Euros, were excluded from the review.

Scope:

The scope of this year’s assessment covered the fiscal period from April 1, 2025, to March 31, 2026. The review included direct supplier invoices processed through accounts payable, as well as corporate card transactions. This assessment enabled The Salvation Army to evaluate supplier activity, purchasing patterns, and international transactions to identify any potential risks associated with forced labour or child labour within its supply chain.

Findings:

Analysis of expenditures during the reporting period indicated that more than 99 percent of The Salvation Army’s goods and services were sourced through Canadian suppliers. Less than 1 percent of expenditure involved suppliers located in low-risk countries. The volume, value, and quantity of international purchases remained extremely limited and primarily involved low-risk, one-time purchases made through online purchasing platforms. No significant procurement activity involving high-risk countries or high-risk goods was identified during the review process.

Conclusion:

Based on the results of this year's assessment, The Salvation Army continues to consider the risk of forced labour or child labour within its supply chain to be extremely low. The organization remains committed to ongoing due diligence and will continue to strengthen its supplier monitoring, procurement practices, policy development, and awareness initiatives to support ethical sourcing and compliance with human rights and labour standards.

(d) Remediation Measures

During the reporting period, The Salvation Army did not identify any instances of forced labour or child labour within its operations or supply chains. As a result, no remediation measures were required. The Salvation Army remains committed to ongoing oversight, supplier engagement, and the promotion of ethical business practices to support continued compliance with labour and human rights standards.

(e) Measure To Remediate Loss of Income

No cases of forced labour or child labour were identified during the reporting period, consequently, no remediation measures were necessary to address any loss of income related to such practices. Nevertheless, The Salvation Army recognizes the importance of continued due diligence and remains committed to proactive monitoring and ongoing engagement with suppliers to help identify and mitigate potential risks within its supply chains.

(f) Employee Training

The Salvation Army continued to strengthen organizational awareness and education related to forced labour and child labour through ongoing training and engagement initiatives across the organization. The modern slavery and human trafficking training module was developed to help staff better understand the risks and indicators associated with forced labour and child labour, the impact of procurement and supplier decisions, and the role individuals play in supporting ethical sourcing and responsible purchasing practices. The training also reinforces the organization's policies, supplier expectations, and commitments under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

During the reporting period, all senior leadership completed the training, with many staff also participating as part of educational efforts for individuals with purchasing authority. To further support accessibility and ongoing awareness, the training module was made available on the procurement site for any staff member interested in completing the training independently. The Salvation Army is also planning to integrate the training into the HR learning platform so that new employees will have the opportunity to receive this education as part of onboarding and professional development initiatives.

In addition, the Territorial Modern Slavery and Human Trafficking Response Team continued to host monthly webinars exploring modern slavery and human trafficking from various

perspectives, including supply chain risks and responsible procurement practices. As part of these initiatives, the Director of Procurement highlighted the importance of ethical day-to-day purchasing decisions and emphasized that all individuals share responsibility in helping combat forced labour and child labour through informed procurement practices and supplier selection.

The Modern Slavery and Human Trafficking Team continued to lead and strengthen The Salvation Army's efforts to address modern slavery and human trafficking through the ongoing implementation of the national Fight For Freedom Strategy. This strategy remains centered on key focus areas including education and training, awareness, prevention and outreach, survivor support and recovery, and collaboration and advocacy.

Throughout the reporting period, the MSHT Team continued to expand training and awareness initiatives aimed at equipping staff, ministry units, and community partners with the knowledge and tools needed to better understand, identify, and respond to exploitation and human trafficking risks. The following statistics reflect the continued progress and outcomes achieved across these focus areas during the reporting year.

Raising Awareness & Educating People

- 128 people enrolled in the online, self-paced Introduction to MSHT Certificate while 310 have completed it since we launched in 2022.
- Salvation Army personnel throughout the territory attended 57 community events to raise awareness about MSHT – Community events included: teaching about the signs, risk factors and methods of recruitment; sex, labour, child trafficking and early and forced marriages; trauma-informed care; our Fight For Freedom strategy and MSHT response work.
- 87 employees and officers trained in MSHT

Preventing MSHT & Engaging in Outreach

- Provided 17,462 instances of outreach support through case management meetings, accompaniment to services, access to support networks, and court proceedings.
- 378 individuals with lived experience received these essential services, reinforcing our commitment to empowering and protecting survivors.
- There were 33 prevention programs & events across the territory that resulted in having 2,527 people attending.

Supporting Survivors & Responding Holistically

- 378 survivors supported and served through our five MSHT focused ministry units
- In 2025, The Salvation Army provided 7,890 nights of housing survivors
- 227 Female // 117 LGBTQ2S+ // 34 Male
- 276 were experiencing sex trafficking and sexual exploitation
- 92 were experiencing labour trafficking and labour exploitation

- 10 were experiencing a forced marriage

Partnering with Others and Advocating for Change

- Engaged in 72 internal and external partnerships, collaborating to support survivors through collective programming and projects, provide education and awareness via classes and webinars, advance prevention efforts and referrals, address demand reduction strategies, and strengthen advocacy initiatives.
- Participated at Lobby Day in Toronto along with attending at the invitation to meet with the Ontario Solicitor General to speak about our experiences with human trafficking. Discussions were focused around celebrating Ontario’s Anti-Human Trafficking strategy 2025-2030, while also suggesting areas for enhancements. Two main recommendations included:
 - The inclusion of survivor support for those trafficked for the purposes of labour exploitation. The Canadian Centre to End Human Trafficking (CCEHT) hotline data shows a 317% increase (2020–2022 baseline to 2024), often involving multiple victims due to workplace-based exploitation.
 - The enforcement of the laws of section 286.1 of the Criminal Code of Canada – obtaining sexual services for consideration. Purchasing sexual services is illegal yet demand reduction is not clearly articulated or enforced in most jurisdictions in Canada. Targeting buyers through enforcement and education is essential to disrupting sex trafficking networks.

(g) Assessment of Effectiveness

The Salvation Army remains committed to evaluating and strengthening the effectiveness of its efforts to prevent forced labour and child labour within its operations and supply chains. During the reporting period, the organization continued to assess the effectiveness of its policies, procurement practices, training initiatives, supplier engagement, and monitoring processes through the following measures:

1. Assessment of Supply Chains

The Salvation Army continued to conduct supply chain risk assessments focused on identifying potential exposure to forced labour and child labour, particularly in relation to imported goods and international supplier activity. During the reporting period, purchases involving goods imported into Canada by ministry units were significantly reduced compared to the previous year, reflecting increased awareness and understanding among staff regarding the potential risks associated with international sourcing. The review confirmed that the vast majority of purchases continued to be sourced through Canadian suppliers, with only limited low-volume purchases involving low-risk countries. Based on the nature, volume, and frequency of these transactions, the overall risk exposure

remained very low. The Army will continue enhancing supplier reviews and procurement oversight to strengthen supply chain visibility and due diligence efforts.

2. Implementation of Reporting Mechanisms

The Salvation Army continued to promote internal reporting mechanisms related to forced labour and child labour through its existing Whistleblower Policy and reporting procedures. Staff remain encouraged to report any suspected concerns or non-compliance through confidential and secure reporting channels. During the reporting period, no reports or complaints related to forced labour or child labour were received through the whistleblower process. The Army remains committed to maintaining a culture of accountability, transparency, and ethical conduct across all operations and procurement activities.

3. Training and Awareness

The Salvation Army continued expanding its training and awareness initiatives related to forced labour and child labour. Additional staff members completed the Army's modern slavery and human trafficking training during the reporting period, including divisional leaders, cabinet members, and staff with purchasing authority. The training module was also made available through the procurement site to support broader staff access and awareness, with plans under way to integrate the training into the HR learning platform for future onboarding and ongoing employee development. These educational efforts continue to strengthen staff understanding of ethical procurement practices, supplier risks, and individual responsibilities under the Act.

4. Engagement with Suppliers

The Salvation Army continues implementing its Supplier Code of Conduct as part of procurement and supplier engagement activities. All prospective vendors participating in procurement processes managed by the procurement team are required to review and sign the Code of Conduct, which outlines expectations related to forced labour, child labour, human trafficking, wages, working conditions, health and safety, and ethical business practices. During the reporting period, suppliers continued to demonstrate willingness to sign and comply with these requirements, supporting the Army's efforts to strengthen accountability and reinforce ethical sourcing standards throughout the supply chain.

5. Collaboration with Stakeholders

The Salvation Army continues to collaborate with stakeholders, peer organizations, and international counterparts to support knowledge sharing and strengthen collective efforts to address forced labour and child labour risks. During the reporting period, the Army engaged with counterpart territories in the United Kingdom and Australia to exchange best

practices, discuss emerging risks, and share approaches related to ethical sourcing, supplier engagement, training, and supply chain due diligence. These collaborative efforts continue to support ongoing learning and continuous improvement across the organization.

6. Continuous Improvement

The Salvation Army remains committed to continuously strengthening its policies, procedures, and practices related to ethical sourcing and supply chain oversight. During the reporting period, the Army continued refining its procurement processes, supplier engagement practices, training initiatives, and awareness activities to support informed purchasing decisions and compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. Initiatives such as promoting Canadian suppliers through the “Buy Local” purchasing approach, increasing staff education, and expanding supplier accountability measures demonstrate the Army’s ongoing commitment to continuous improvement and responsible procurement practices.

Conclusion

The Salvation Army remains committed to preventing and addressing forced labour, child labour, and other forms of exploitation within its operations and supply chains. Throughout the reporting period, the Army continued to strengthen its due diligence efforts through enhanced procurement practices, expanded staff training and awareness initiatives, supplier engagement measures, ongoing risk assessments, and collaboration with internal and external stakeholders. The significant reduction in international purchases by ministry units, combined with the continued focus on Canadian suppliers and low-risk sourcing, further supports the Army’s efforts to minimize potential supply chain risks.

The continued implementation of the Supplier Code of Conduct, the expansion of training initiatives, increased organizational awareness, and ongoing collaboration with counterpart territories in the United Kingdom and Australia demonstrate The Salvation Army’s commitment to ethical sourcing, accountability, and continuous improvement. Based on the assessments conducted during the reporting period, the Army continues to consider the overall risk of forced labour and child labour within its supply chains to be extremely low.

The Salvation Army will continue to monitor, evaluate, and strengthen its policies, procedures, and practices to support compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* while upholding its broader commitment to human dignity, social responsibility, and ethical business practices.

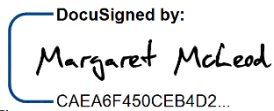
Attestation

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 **The Governing Council of The Salvation Army in Canada** as a member of the Governing Council.

Full Name Margaret Ann McLeod

Title Chief Executive Officer - The Governing Council of The Salvation Army in Canada

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Date 28 May 2026