



Canada Post Corporation

Report on Fighting Against
Forced Labour and Child
Labour in Supply Chains

For the reporting year January 1 to
December 31, 2023

Presented to the Minister of Public
Safety Canada



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1. Identifying Information

Name of government institution:

Canada Post Corporation (Canada Post)

Headquarters:

2701 Riverside Drive, Ottawa, Ontario, K1A 0B1

Sectors or industries in which the Crown corporation operates in:

Canada Post's core business is in the Transportation and Delivery industry; however, through other services it provides, Canada Post also operates in sectors such as retail and financial services.

Report produced by:

Canada Post

Financial reporting year (start date, end date):

January 1 to December 31, 2023



2. Report

2.1 Canada Post's structure, activities and supply chains

Guided by the *Canada Post Corporation Act*, Canada Post's mandate is to provide a high-quality postal service at a reasonable price to all Canadians – rural and urban, individuals and businesses – in a secure and financially self-sustaining manner. Canada Post reports to Parliament through the Minister of Public Services and Procurement, and has a single shareholder, the Government of Canada (Government). The Government's *Canadian Postal Service Charter* ensures that postal services remain universal, affordable, reliable, convenient, secure, and responsive to our customers.

Canada Post is committed to providing a safe, inclusive and fair work environment for all of its employees. It has robust policies, practices and other guardrails in place (such as compliance programs and security and clearance screening) that ensures it complies with all provincial and federal labour laws as well as laws related to human rights. These mechanisms help ensure Canada Post does not have any forced labour or child labour within its operations.

Reporting to Canada Post's Chief Financial Officer, Canada Post has a dedicated Procurement function who oversees and manages the Corporation's procurement activities. Through formalized policies, practices and procedures, they ensure Canada Post conducts its procurement activities in accordance with applicable laws, regulations, trade agreements, and competitive procurement processes. Canada Post does this in such a way as to convey its high standards of professionalism and business ethics.

Specifically, Canada Post's procurement activities involve purchasing goods both in Canada and outside Canada. The main types of goods purchased by Canada Post include: Postal Supplies, Industrial Goods, Material Handling Equipment, Delivery Vehicles, and related products.

2.2 Steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods purchased by Canada Post

Prior to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* coming into force, Canada Post had mechanisms in place to prevent and reduce the risk that force labour or child labour is used at any step of the production of the goods that it purchases. Mechanisms included:

- Provisions in their Procurement Policy, Supplier Code of Conduct, RFX Documents, and Supplier Contracts which detailed both Canada Post and their suppliers must be compliant with applicable legislation (including those related to human rights and labour laws).



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In 2023, Canada Post implemented further measures to prevent and reduce the risk that forced labour or child labour is used at any step of the production of the goods that it purchases, including:

- Strengthening the language related to forced labour and child labour in Canada Post's Procurement Policy as well as its Supplier Code of Conduct.
- Updating provisions in Canada Post's RFX documents and Supplier Contracts. New provisions now requiring suppliers to submit an attestation that they have policies and procedures in place for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.
- Procuring new technology that will assist with assessing suppliers and evaluating the risk of forced labour and/or child labour being used in their supply chain.
- Developing an action plan which will further prevent and reduce the risk of forced and/or child labour in Canada Post's supply chain.

2.3 Canada Post's policies and due diligence processes in relation to forced labour and child labour

As outlined in its Procurement Policy, Canada Post is committed to ensuring there is no use of forced labour and child labour in its supply chain. The Corporation actively works with all its suppliers to monitor and address any potential risk. This includes clear requirements in all procurement documents issued to the market as well as specific clauses in all agreements prohibiting forced and child labour.

Canada Post has completed an analysis of its supply chain and to the best of our knowledge, identified its potential areas of risk. Through regular and on-going monitoring, Canada Post will continue to assess its known area of risk as well as work to identify any emerging areas of risks. Should any new areas of risk be identified during this process, Canada Post will put mechanisms in place to address the risk.

2.4 Parts of Canada Post'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 that risk

In conducting its risk assessment, Canada Post has identified the production of textiles used in the production of uniforms for its employees as a potential high-risk area of our supply chain for instances of forced and child labour. To mitigate



the risk, Canada Post has included specific audit rights in the supplier agreement and will be using a software tool to map and flush out high-risk areas.

If any other high-risk areas are identified during its assessments, Canada Post will implement measures to reduce the risk such as engaging third-party auditors to audit the specific areas of risk.

2.5 Measures taken by Canada Post to remediate any forced labour or child labour

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

2.6 Measures taken by Canada Post 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

Given Canada Post has not had to take any measures to remediate forced labour or child labour, there has not been any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

2.7 Training provided to Canada Post employees on forced labour and child labour

In 2024, employees in the Procurement function at Canada Post will be provided updated training on forced and child labour. The training will be mandatory for all Procurement personnel.

2.8 Assessment of Canada Post's effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains

In 2023, Canada Post conducted an assessment of the effectiveness of the programs it has in place to ensure that forced labour and child labour are not being used in its activities and supply chains. When researching and measuring against best practices globally, and engaging with other Crown Corporations, federally regulated institutions and other industry organizations, it was discovered that there were some areas of opportunity to strengthen Canada Post's programs. These areas of opportunity included strengthening the language in their policies, procurement documents and supplier contracts; implementing updated training for employees; implementing more robust monitoring mechanisms; and more engagement with our suppliers.

To address these areas of opportunity, Canada Post developed and began implementing a comprehensive action plan to strengthen its prevention efforts and reduce the risk of forced labour and child labor being found in its supply chain.



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In 2023, Canada Post took important strides to enhance the program, specifically through the inclusion of stronger provisions in its Procurement Policy, relevant procurement documents and supplier contracts as well as procuring new and innovative technology to support its compliance monitoring and risk assessments.

In 2024, Canada Post will be rolling out updated training to employees working in Procurement, formalizing a monitoring process using the new technology, and engaging more regularly with suppliers' issues of concern specifically related to forced labour and/or child labour.

Canada Post will continue to monitor the effectiveness of its program by regularly assessing the risk profiles of its suppliers and staying up to date with best practices. Should there be a change to the overall risk profile, Canada Post will adjust the training program or other compliance mechanisms in place, as required.

Through these activities, Canada Post is demonstrating its commitment to upholding human rights and ethical integrity within its supply chain ecosystem.