



Appendix “1”: Annual Report for the Minister of Public Safety, 2023-24
A requirement of the
Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction

1.1. Background on the Act and Applicability

On January 1, 2024, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) came into force in Canada. The Act aims to increase industry awareness and transparency, and drive businesses to improve practices to prevent forced labour and child labour in supply chains.

The Act imposes a public reporting regime on certain government institutions and private-sector entities to report to the Minister of Public Safety on measures taken in the previous fiscal year to identify, prevent, and reduce the risk of forced labour or child labour in their supply chains. The Act sets out criteria for entities that are required to report.

The Canadian Red Cross Society (the “CRC”) is considered an “entity” for the purposes of the Act and is therefore required to file an annual report.¹ This report sets out the CRC’s practices and processes to prevent and reduce the risk of forced labour and/or child labour. The report looks at the CRC’s activities and supply chain for the period between April 1, 2023, and March 31, 2024, in Canada and around the world.

The following report is based on the questions posed for mandatory response by the Minister of Public Safety. For more information, please see the [link](#).

1.2. The CRC’s Mission and Fundamental Principles

The CRC is part of the largest humanitarian network in the world. This network includes the [International Committee of the Red Cross \(“ICRC”\)](#), the [International Federation of Red Cross and Red Crescent Societies \(“IFRC”\)](#), and 191 National Red Cross and Red Crescent Societies dedicated to improving the situation of people in vulnerable situations around the world.

The CRC’s mission is to help people and communities in Canada and around the world in times of need and support them in strengthening their resilience.

The CRC’s work is guided by the seven Fundamental Principles of the Red Cross Red Crescent Movement: Humanity, Impartiality, Neutrality, Independence, Voluntary Service, Unity, and Universality.²

2. Structure and Activities of the CRC

2.1. Structure

¹Place of business in Canada: CRC’s head office is situated in Ottawa, Ontario, does business in Canada and has assets in Canada. In 2022-2023, the total revenue and other income were \$676.3 million; as of March 31, 2023, CRC had net assets of \$238.9 million; and, in 2022-2023 CRC had more than 4,100 staff and 14,900 volunteers. (CRC Annual report 2022-2023 :

https://www.redcross.ca/crc/documents/About%20us/About-the-Canadian-Red-Cross/2022-23-Annual-Report_Final_EN.pdf/

² Please see Schedule A for more information on the Fundamental Principles.



The CRC is a singular, not-for-profit corporation incorporated under the laws of Canada, and a registered charity with the Canada Revenue Agency (registration number: 119219814 RR 0001). It does not control any other entities.

The CRC was first established through an Act of Parliament in 1909. Through this charter the CRC became its own entity, separate from the British Red Cross, and, in particular, established its auxiliary role in support of the Government of Canada's obligations under the Geneva Conventions.

The governance structure is a key component of the CRC and is designed, to the extent reasonably possible, to have a broad representation reflective of the diversity of Canada. This includes but is not limited to being geographically pan-Canadian, representative of the Official Languages of Canada, inclusive of Indigenous Peoples in Canada, reflective of gender equality and social inclusion, and the economic, cultural and demographic diversity of Canada.

CRC Governance is composed of 32 Members divided in two components that ensures a broad range of perspectives. This includes:

- 16 Directors of the Board being Members by virtue of being on the Board, and
- 16 National Members.

2.2. Activities/Industries

The CRC has developed eight main areas of expertise that are the foundation of all of the CRC's work. These areas are: direct assistance, volunteerism, capacity strengthening, research and action, training and education, philanthropy, influencing humanitarian action, and granting. The CRC's eight areas of expertise are focused on two fields of work, emergencies and health.³

The nature of the CRC's areas of expertise result in a vast range of activity (or industry) sectors, such as: professional, scientific and technical services; educational services; health care and social assistance; accommodation and food services; and other humanitarian relief services including emergency services.

2.3. Supply Chain

The CRC's Supply Chain Management department oversees all of the CRC's supply chain activities. Procurement is a key element in the CRC's work, the management of which reflects directly on the organization's professionalism, transparency, and integrity. Thus, the efficiency and care with which personnel undertake procurement activities is intrinsic to the CRC's good standing with donors and other funders.

To achieve its mission and activities, the CRC relies on strong partnerships and support from suppliers of goods and services ("**Suppliers**"). Depending on its operations, activities, and needs, the CRC selects Suppliers situated in Canada or abroad.

More specifically, supply chain operations for the CRC's activities include the following:

- The sale of goods in Canada:
 - For example: the sale of first aid training materials supports the training and education area of expertise.

³ For more information, see the CRC's [Vision 2025](#).



- The distribution of goods in Canada and abroad:
 - Distribution of goods by the CRC is an important aspect of its activities. In emergency contexts, this can include distribution of personal and hygiene products, and shelter supplies such as blankets and pillows. This can be done directly by the CRC to persons affected by an emergency or through different partners such as IFRC, ICRC, or other Red Cross and Red Crescent National Societies.
 - Distribution of goods in Canada also encompasses programs such as Meals on Wheels and the Health Equipment Loan Program (“HELP”).
- The importation of goods produced outside of Canada:
 - Importation of goods in Canada supports all sectors of the CRC’s activities. Importation is done in compliance with applicable laws and regulations through clear procurement processes. Items imported are usually stored in different warehouses in Canada.

In addition, the CRC also provides funding to Red Cross and Red Crescent National Societies for local procurement of goods and services . This is done in collaboration with different government entities and other partners, in accordance with best practices and domestic and international laws as required.

3. Actions taken in 2023-2024

Guided by the Fundamental Principles, the CRC aims to be the leading humanitarian organization through which people voluntarily demonstrate their caring for others in need. The prevention and reduction of forced labour and child labour, and the protection of all against these practices, is part of this approach.

Over the past fiscal year, the CRC has continued the work already underway to prevent and reduce forced and child labour. Some of the actions taken by the CRC include:

- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily.
 - This is reflected in the clear and robust hiring and human resources processes and standards, including the onboarding of volunteers.
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization’s activities.
 - The CRC has implemented safeguarding policies, as further detailed in section **Policies**
- Developing and implementing child protection policies and processes, as further detailed in section **Policies** of this report.
- Developing and implementing anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists.
 - In recent years, the CRC has implemented a Supplier Code of Conduct (the “**Supplier Code of Conduct**”), with the most recent version having launched in January 2024.
- Developing and implementing anti-forced labour and/or child labour contractual clauses.
 - It is a best practice of the CRC to ensure its agreements with Suppliers include a requirement for Suppliers to adhere to the CRC’s Supplier Code of Conduct.
- Monitoring service providers, as further detailed in section **Remediation** of this report.



3.1. Tools in place (policies and due diligence processes)

As an ethical organization, the CRC is committed to meeting humanitarian standards and ensuring all CRC personnel have safe interactions with adults and children in communities. As part of the actions described above, the CRC has developed a number of tools which illustrate its commitment to combating all forms of exploitation, including forced labour and child labour.

These tools include:

- Embedding responsible business conduct into policies and management systems;
- Identifying and assessing adverse impacts in operations, supply chains and business relationships, as further described below;
- Ceasing, preventing or mitigating adverse impacts, as further described below; and
- Tracking implementation and results.

3.1.1. Policies

Safeguarding Policies

In October 2023, the CRC launched a *Child Safeguarding Policy*. This policy confirms the CRC's commitment to safeguarding children that personnel interact with and ensuring all personnel interactions are grounded in the best interest of the child, wherever they are and whoever they are, regardless of their age, (dis)abilities, gender identities and expressions, origins, racialized or Indigenous identities, religious beliefs, sexes, social status and sexual orientations. Through this policy and the accompanying procedure on *Child Safeguarding Reporting*, the CRC requires appropriate reporting of any observed, suspected, or disclosed violence against a child, exploitation of children, or if the wellbeing of a child is at risk in any circumstance. Child exploitation is divided into three categories: 1. Economic exploitation; 2. Harmful or hazardous labour; 3. Sexual exploitation.

In addition to the *Child Safeguarding Policy*, the CRC also launched a new *Policy on Safeguarding for Quality Programming* in October 2023. This policy seeks to ensure that all CRC programming, in any location and through any form of partnership, is free of violence, abuse, exploitation, and neglect against the adults and children it interacts with regardless of the person's age, gender, Indigenous or racialized or ethnic background, or disability status. This includes taking action to ensure quality programming through:

- Assessing and managing safeguarding risks and impact;
- Involving affected people in decisions that affect them;
- Sharing responsibility for safeguarding;
- Learning to improve; and
- Responding to and documenting safeguarding concerns.

Other Policies

Besides the safeguarding policies, the development of clear policies and protocols remains a priority for the CRC. The following policies can support the CRC's objective to reduce or prevent forced or child labour:

- In past years, the Supply Chain Management department has implemented the *Procurement Policy and Procedures* to guide its work including, without limitation, vendor governance policies, a vendor



due diligence questionnaire, a categorization procedure to track critical suppliers, and a third party risk management system to monitor critical suppliers.

- The CRC's Risk Services department has a *Risk Management Policy* to guide the programs and activities of the CRC. As part of the Risk Management Policy, CRC's risk management culture supports visibility and clear ownership of current major risks to the organization and realization of the mission, with proportionate response. Examples include:
 - Compliance with external legislation, regulations, contracts and standards of practice set by partners, regulatory or commissioning organizations; and
 - Health, safety and security of the CRC's personnel, the people and community supported, and those who come into contact with the CRC.
- The CRC's People Services department uses policies and procedures to ensure CRC has clear processes that respect all applicable laws and regulations.

3.1.2. Incident Reporting and Management

Risk identification and management is a key factor in achieving the organization's objectives in a safe and successful manner. The following tools can be used to report concerns or issues related to forced labour and/or child labour, among other things.

The CRC maintains a strong incident reporting and management process and dedicates a team to this important matter. This includes the CRC framework for reporting and managing incidents, a centralized system to report and manage incidents, as well as training and guidance documents to support incidents.

Furthermore, the CRC has an integrity reporting system that allows anyone from the organization, including employees, volunteers, and delegates, to report issues and concerns anonymously. This system is embedded in the *Integrity Protection Policy*, which provides a means to safely, confidentially, and effectively report issues or concerns relating to integrity to management.

As part of the International Red Cross and Red Crescent Movement, the IFRC Integrity Line is another reporting process that is made available to anyone. This reporting tool allows individuals to "report any misconduct or integrity incident involving Red Cross or Red Crescent operations or personnel, especially violations of applicable laws, the Code of Conduct or other organisation regulations and policies (Staff Regulations, Prevention of Sexual Exploitation and Abuse, Child Safeguarding, Anti-Harassment Guidelines, Fraud and Corruption, Security Regulations, Health and Safety, IT use, etc.)."⁴

3.2. Risk Identification

The process of identifying the risk that forced and/or child labour are used throughout the organization's supply chain is important to the CRC. Although the CRC has started the process of identifying risks that forced and/or child labour are used in CRC's activities and supply chain, such as the use of certain service suppliers and for certain sector or industries the CRC operates in, the identification process is a long-term one and the CRC remains committed to continuing this assessment.

The identification of the risks associated with forced labour and child labour in all sectors of activity of the CRC, as identified in section **Activities/Industries** of this report, remains an ongoing responsibility for an

⁴For more information, see : <https://ifrc.integrityline.org/>



organization such as the CRC. Risk assessments are regularly conducted on our activities by the Risk Services team, including on the risks faced by the clients that receive CRC services. Given the needs and vulnerabilities of the populations the CRC serves in emergency responses, the CRC uses risk assessments to help identify whether the people the CRC serves may be at risk of child labour, forced labour and exploitation, or sexual exploitation by external actors or influences.

To ensure all partnerships align with our mission and values, the CRC has developed a corporate screening process to assess potential corporate partners. Through this process, the CRC ensures that corporate partners' values and practices do not contradict the Fundamental Principles of the Red Cross Red Crescent Movement. While no specific risks arose during the last fiscal year through the corporate screening process, this is another means by which the CRC continues to identify risks of forced labour and/or child labour in its activities.

3.3. Remediation

The CRC has not identified actual forced labour and/or child labour in its activities and supply chains during the past year, and as such, has not taken remediation measures.

To mitigate the risks of forced labour and/or child labour being used throughout the CRC supply chain, as identified in section **Risk Identification** of this report, the CRC has established a monitoring process of certain service suppliers to ensure compliance with the CRC's processes and standards.

As mentioned above, when the CRC identifies risks of forced labour and/or child labour for the people the CRC serves, the CRC implements various tools to prevent it and the associated harms and protect the people it serves. While each case may be unique and require its own mitigation measures, the CRC's tools and measures include compliance with the CRC's safeguarding policies, risk assessments, partnership with different stakeholders to ensure risk vigilance, and educating personnel called upon to intervene.

CRC has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in CRC's activities and supply chains.

3.4. Training

The CRC offers a wide range of formal training courses and informal awareness-raising activities in both French and English for its personnel through its Learning and Development department.

In the last fiscal year, the CRC held organization-wide learning sessions on a voluntary basis on the updated *Child Safeguarding Policy* and the new *Policy on Safeguarding for Quality Programming* for all employees. Employees were also encouraged to consult the policies and additional awareness materials to familiarize themselves with the policies.

In addition, where risks are identified for an operation and/or activities, the CRC ensures that the personnel are duly briefed on the associated risks and have the appropriate tools to face them. When it comes to risks associated with forced labour and/or child labour, including the risks of exploitation, faced by the people the CRC serves, personnel are briefed on how to identify potential exploitation accordingly. This can be done in collaboration with different stakeholders and partners.



3.5. Effectiveness

To assess the effectiveness of certain measures to prevent forced labour and/or child labour, the CRC will undertake a regular review of the *Policy on Safeguarding for Quality Programming*. Through this Policy, to assess its safeguarding risks, the CRC conducts an organization-wide Safeguarding Self-assessment every three years and an annual safeguarding review for all programs involving partner agencies.

As mentioned, CRC Suppliers are subject to the Supplier Code of Conduct, which includes a section on child labour and forced labour. To monitor compliance with the Supplier Code of Conduct, the CRC reserves the right to have any Supplier audited by CRC personnel or by an independent auditor at any time.

Finally, although this does not specifically apply to forced labour and/or child labour, it remains crucial for a charity such as the CRC to maintain the right to audit its suppliers. To do so, the CRC includes clauses on this matter in its different contracts.

4. Conclusion

The CRC remains committed to identifying, reducing, and preventing forced labour and child labour in its supply chains and activities. The CRC welcomes the transparency afforded by the reporting requirements introduced by the Act and views the requirement as an opportunity to place this critical issue at the center of our organization's conversations and reflections.

5. 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."

Full name: Miranda Hubbs

Title: Chair of the Board of Directors

Date: May 24, 2024

Signature: _____

A handwritten signature in black ink, appearing to read "M. Hubbs", written over a horizontal line.

"I have the authority to bind the Canadian Red Cross Society."



SCHEDULE A

FUNDAMENTAL PRINCIPLES OF THE INTERNATIONAL RED CROSS AND RED CRESCENT MOVEMENT

Humanity

The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, co-operation and lasting peace amongst all peoples.

Impartiality

It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

Neutrality

In order to continue to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

Independence

The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

Voluntary Service

It is a voluntary relief movement not prompted in any manner by desire for gain.

Unity

There can only be one Red Cross or one Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

Universality

The International Red Cross and Red Crescent Movement, in which all Societies have equal status and share equal responsibilities and duties in helping each other, is world-wide.