



**Employment and Social Development Canada
Annual Report:**

**Fighting Against Forced Labour and Child Labour in
Supply Chains Act**





PART 1: IDENTIFYING INFORMATION

* **Name of government institution:** Employment and Social Development Canada

* **Financial reporting year (start date, end date):** April 01, 2023 – March 31, 2024

Indicate if this is a revised

This is an original submission.

Indicate if this is a report produced by a federal Crown corporation or a subsidiary of a federal Crown corporation.

This report is **not** produced by a federal Crown corporation or a subsidiary of a federal Crown corporation.

PART 2: REPORT CONTENTS

2.1 Information on the government institution's structure, activities, and supply chains

- * **Which of the following accurately describes the government institution's activities?**
- **Producing goods (including manufacturing, extracting, growing, and processing)**
 - in Canada
 - outside Canada
 - **Purchasing goods**
 - in Canada
 - outside Canada
 - **Distributing goods**
 - in Canada
 - outside Canada

ESDC is engaged in purchasing goods in Canada and outside of Canada to support its operational needs.



*** Provide additional information on the government institution's structure, activities and supply chains.**

Employment and Social Development Canada (ESDC) is a department of the Government of Canada responsible for developing, managing, and delivering social programs and services. ESDC provides consultations; develops frameworks, outlines plans and conducts research to support the Government of Canada in relation to Employment and social development programs and policies. ESDC operates through a multifaceted structure in partnership with our portfolio organizations, Service Canada and the Labour Program, as outlined below:

Service Canada

Service Canada provides Canadians access to programs, services, and benefits they need from the Government of Canada and its many partners. The programs and services administered by Service Canada include Employment Insurance (EI), Canada Pension Plan (CPP), Old Age Security (OAS), Social Insurance Number (SIN), and issuance of Canadian passports, among others.

Labour Program

The Labour Program promotes safe, healthy, cooperative and productive workplaces through legislation, programs and services. The Labour Program fosters good working conditions, constructive labour-management relations and workplaces free from discrimination.

Activities and Supply Chains

ESDC is engaged in acquiring goods and services from suppliers in Canada and outside of Canada to support its operation needs. ESDC's procurement activities are centralized within its Chief Financial Officer Branch (CFOB). The ESDC procurement team carries out contracting activities for all branches within ESDC, Services Canada and Labour Program.

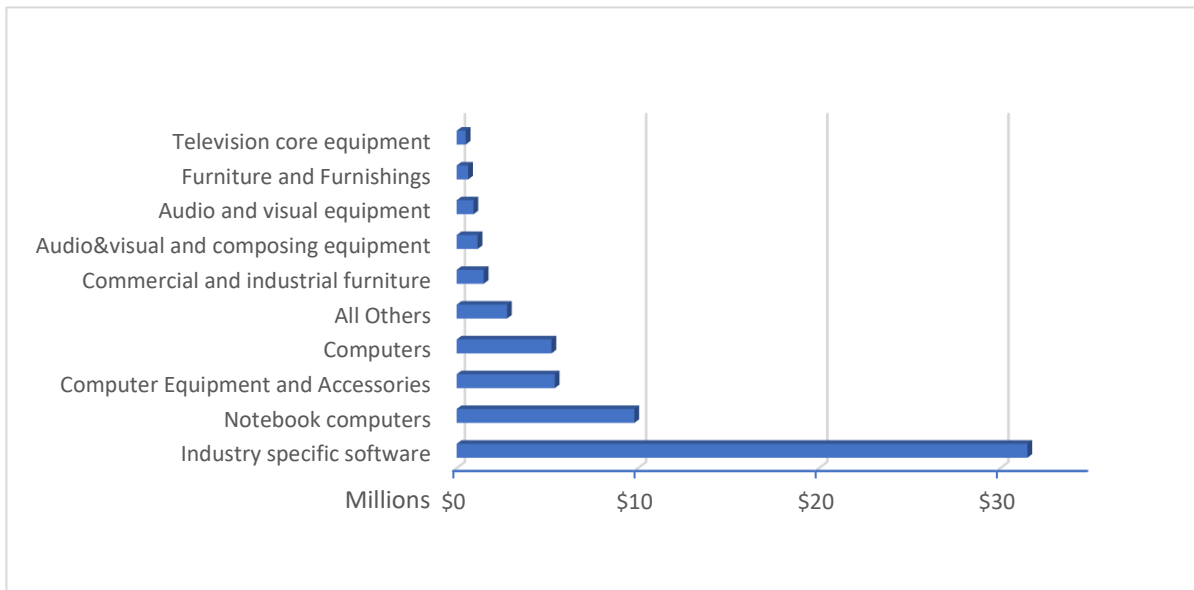
During the 2023-2024 fiscal year, ESDC awarded 1877 contracts for a total value of \$344.19 million. \$59.46 million was directed towards the purchase of goods, with 310 contracts awarded, representing 17% of the total value of contracts awarded by the department last fiscal year.

The main types of goods procured at ESDC over the 2023-2024 fiscal year were:

- Industry specific software
- Notebook computers
- Computer Equipment and Accessories
- Computers
- Commercial and industrial furniture
- Audio and visual presentation equipment
- Audio and visual equipment
- Furniture and Furnishings
- Television core equipment



Chart 1: Top Types of Goods Purchased by Value (in Millions)



2.2 Information on the steps taken 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

*** Indicate steps taken in the 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.**

ESDC applies and implements all directives and guidelines set out in the [Directive on the Management of Procurement](#), including requirements to integrate human rights, the environment, social and corporate governance, supply chain transparency principles, and Public Services and Procurement Canada’s Code of Conduct for Procurement into all government procurements. These requirements took effect April 1st 2023, as such, ESDC has integrated PSPC’s updated General Conditions for goods contracts and PSPC’s [Code of Conduct for Procurement](#) in our contracting activities.

If applicable, please provide additional information describing the steps taken.

ESDC implemented guidelines from the Treasury Board and implemented contract clauses developed by PSPC to prevent and reduce the risk of forced labour or child labour in our procurements. In addition, for the majority of goods purchased by the department, ESDC uses PSPC tools (standing offers and supply arrangements).



In 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 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](#).

2.3 Information on the policies and due diligence processes in relation to forced labour and child labour

*** Does the government institution currently have policies and due diligence processes in place related to forced labour and/or child labour? (Yes or No)**

While there are no policies or due diligence processes exclusive to ESDC at this time, the department adheres by and implements the policies and due diligence processes published by the Treasury Board and PSPC, as outlined below.

If applicable, please provide additional information on the government institution's policies and due diligence processes in relation to forced labour and child labour

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.

Pursuant to these amendments, ESDC has integrated the Code into its procurement practices, with the goal of safeguarding federal procurement supply chains from forced labour and child labour. Contracts awarded by ESDC have incorporated the updated Code in the General Terms and Conditions included in all contracts.

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.

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.



2.4 Information on the parts of its 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

* Has the government institution 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.

ESDC familiarized itself with information on the risk assessment provided by PSPC, and is monitoring related follow-action, including the development of PSPC's Policy on Ethical Procurement.

* Has the government institution identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries?

- Agriculture, forestry, fishing, and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services
- Other services (except public administration)
- Public administration
- None of the above
- Other, please specify.

No, ESDC has not identified any instances of forced labour or child labour in the department's activities and supply chains.



2.5 Information on any measures taken to remediate any forced labour or child labour

* Has the government institution taken any measures to remediate any forced labour or child labour in its activities and supply chains?

ESDC has not identified any instances of forced labour or child labour in the department's activities and supply chains, as such no remedial measures have been taken.

If applicable, please provide additional information on any measures the government institution has taken to remediate any forced labour or child labour.

We have no additional information to provide.

2.6 Information on any 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.

* Has the government institution 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?

In the absence of identifying instances of the use of forced or child labour in ESDC's activities and supply chains, no measures have required implementation. Therefore, the department has not identified any vulnerable families experiencing loss of income as a result.

If applicable, please provide additional information on any measures the government institution has 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 its activities and supply chains.

We have no additional information to provide.

2.7 Information on the training provided to employees on forced labour and child labour

* Does the government institution currently provide training to employees on forced labour and/or child labour? (Y/N)

ESDC has not yet developed any training about child labour and forced labour. We are aware that PSPC is currently developing awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. We are monitoring the development of these materials and will leverage these resources upon their publication.

If applicable, please provide additional information on the training the government institution provides to employees on forced labour and child labour.

We have no additional information to provide.



2.8 Information on how the government institution assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains

*** Does the government institution currently have 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? (Yes or No)**

ESDC applies and implements all directives and guidelines set out in the [Directive on the Management of Procurement](#), including requirements to integrate human rights, the environment, social and corporate governance, supply chain transparency principles, and Public Services and Procurement Canada's Code of Conduct for Procurement into all government procurements. Furthermore, a significant portion of our goods contracts were awarded by PSPC on our behalf or using PSPC's contracting tools. Consequently, any of PSPC's policies and procedures in place to assess the effectiveness in ensuring that forced labour and child labour are not being used in their activities and supply chains would also apply to the portion of our goods contracts awarded using PSPC tools or delegation.

If applicable, please provide additional information on how the government institution assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

We have no additional information to provide.