

Health Canada

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

2023 – 2024 Report

ABOUT THIS REPORT

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* came into force on January 1, 2024. The Act stipulates that any government institution producing, purchasing or distributing goods in Canada or elsewhere must, on or before May 31 of each year, submit a report to the Minister of Public Safety. The report must detail the steps the government institution has taken during 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.

Consequently, Health Canada has created and submitted this annual report, for the fiscal year 2023 – 2024, to the Minister of Public Safety on the steps it has taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods, purchased or distributed by Health Canada.

As per *section 8* of the Act, this report has been made available to the public, including by publishing it in a prominent place on Health Canada's website. In addition, per *section 22* of the Act, Health Canada's annual reports will be held in an electronic registry on the Public Safety Canada (PSC) website that is accessible to the public.

More detailed information on the Act and reporting obligations can be found on PSC's [website](#).

CONTENTS

LIST OF ABBREVIATIONS..... 4

ABOUT HEALTH CANADA 5

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS 5

STEPS TO PREVENT AND REDUCE THE RISK OF FORCED OR CHILD LABOUR 6

POLICIES AND DUE DILIGENCE PROCESSES 7

ACTIVITIES AND SUPPLY CHAINS THAT CARRY A RISK OF FORCED LABOUR OR CHILD LABOUR 8

MEASURES TAKEN TO REMEDIATE ANY FORCED LABOUR OR CHILD LABOUR 8

MEASURES TAKEN TO REMEDIATE LOSS OF INCOME 8

TRAINING..... 8

ASSESSMENT OF EFFECTIVENESS 9

MOVING FORWARD..... 9

REFERENCES10

LIST OF ABBREVIATIONS

CIPMM	Canadian Institute for Procurement and Materiel Management
HC	Health Canada
IT	Information Technology
PHAC	Public Health Agency Canada
PSC	Public Safety Commission
PSPC	Public Services and Procurement Canada
TBS	Treasury Board of Canada Secretariat

ABOUT HEALTH CANADA

Health Canada is the federal department responsible for helping Canadians maintain and improve their health, while respecting individual choices and circumstances ¹. In keeping with the Department's commitment to making this country's population among the healthiest in the world, Health Canada strives to:

- Prevent and reduce risks to individual health and the overall environment;
- Promote healthier lifestyles;
- Ensure high quality health services that are efficient and accessible;
- Integrate renewal of the health care system with longer term plans in the areas of prevention, health promotion and protection;
- Reduce health inequalities in Canadian society; and
- Provide health information to help Canadians make informed decisions.

Health Canada is part of the Health Portfolio which includes, the Public Health Agency of Canada, Canadian Food Inspection Agency, Canadian Institutes of Health Research, and the Patented Medicine Prices Review Board ^{2,3}.

While the provinces and territories are responsible for delivering healthcare to the majority of Canadians, the federal government also has a number of key [roles and responsibilities](#) in areas that affect health and healthcare ¹. In addition to working closely with provincial and territorial governments, Health Canada also works with other federal departments and agencies, non-governmental organizations, other countries, Indigenous partners and the private sector ¹.

From coast to coast to coast, Health Canada employees—scientists and researchers, inspectors, doctors and nurses, policy analysts and administrative professionals, and many others—are working to help Canadians maintain and improve their health ³.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Health Canada has a centralized approach to procurement, with the Procurement and Investment Management Directorate under the Chief Financial Officer Branch delivering centralized procurement and contracting services to Health Canada and the Public Health Agency of Canada to support and advance their respective mandates.

Procurement is governed by a robust management framework that supports effective program delivery and the achievement of best value with consideration of socio-economic, environment and Indigenous objectives. Oversight for the procurement function is provided through governance, defined roles and responsibilities and processes, systems and controls and reporting mechanisms to facilitate fair, open and transparent procurement activities.

Health Canada utilizes the following mechanisms and tools to purchase goods:

- Health Canada’s delegated authority to purchase goods, and requesting common services providers such as Public Services and Procurement Canada (PSPC) and Shared Services Canada (SSC) to conduct the procurement when above our delegated authority.
- Procurement tools such as standing offers and supply arrangements put in place by PSPC and SSC.
- Health Canada’s emergency authority when there is a situation that meets the criteria for a pressing emergency.

Items that are frequently procured for the Department include, materials and supplies such as medical and laboratory instruments and supplies, office furniture, Information Technology (IT) and related equipment, stationery and office supplies ⁴.

Overall, the departmental activities involve purchasing and distributing goods, both within and outside of Canada.

STEPS TO PREVENT AND REDUCE THE RISK OF FORCED OR CHILD LABOUR

Health Canada is making active efforts to prevent and mitigate the risks associated with forced labour and child labour in its procurement processes.

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. As well, 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.

In addition, the PSPC General Conditions clauses included in solicitation and contractual documents integrate the PSPC Code of Conduct for Procurement (the “Code”). The Code outlines expectations and obligations for contractors and their subcontractors who respond to bid solicitations, and prohibits them from engaging in practices related to human trafficking, forced labour and child labour.

Health Canada has adopted the PSPC anti-forced labour clauses and the Code in goods contracts issued under its authority. Furthermore, the Department has initiated several preliminary steps to mitigate the risks associated with forced labour and child labour in our procurement processes. These include, but are not limited to:

- Conducting a scan of provincial, territorial and international governments to identify best practices and lessons learned that can be leveraged by the Department.
- Reviewing the existing procurement checklists, operating instructions and guidance to identify areas where anti-forced labour measures can be reinforced.

- Creating awareness by requesting contracting authorities to attend a Round Table on Ethical Procurement which highlighted initiatives being undertaken in this area to reinforce ethical standards in government procurement.
- Initiating an analysis of the key commodities procured by the Department to identify commodities at a higher risk of having vendors engaged in forced labour and human trafficking activities. High risk commodities were identified through the findings of the report, *Risk Analysis of Human Trafficking, Forced Labour, and Child Labour in Public Works and Government Services Canada's (PWGSC's) Procurement Supply Chains (May 2021)*.

Going forward, the Department is committed to building on its action plan initiatives to better understand key areas of risk of forced labour and child labour in our supply chains, and implement measures to mitigate these practices.

POLICIES AND DUE DILIGENCE 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.

Pursuant to the aforementioned amendments, Health Canada has integrated the Code into our procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that our organization has awarded included the Code through the General Conditions for goods.

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.

ACTIVITIES AND SUPPLY CHAINS THAT CARRY A RISK OF FORCED LABOUR OR CHILD LABOUR

In May 2021, a risk analysis of PSPC's supply chains was completed by the Rights Lab, of the University of Nottingham (United Kingdom), to determine which goods were at the highest risk of exposure to human trafficking, forced labour, and child labour.

The findings of the report conducted by PSPC were used as the foundation to initiate an internal analysis at Health Canada to identify the goods which are likely at risk of exposure to forced labour and child labour. While some goods procured by Health Canada were identified as having a higher risk, preliminary results indicate more analysis is needed to understand and identify our high-risk commodities, and the associated sectors and industries to mitigate the risk of forced labour and child labour in our activities and supply chains.

As work progresses, measures to remediate any forced labour or child labour, or loss of income to vulnerable families will be considered as appropriate.

MEASURES TAKEN TO REMEDIATE ANY FORCED LABOUR OR CHILD LABOUR

Health Canada has not identified any instances where remediation of any forced labour or child labour was required, as no cases were identified in fiscal year 2023 – 2024. As the Department continues on our research and analysis, guidance for remediation will be established as needed.

MEASURES TAKEN TO REMEDIATE LOSS OF INCOME

Health Canada has not identified any instances where remediation was required (due to the loss of income to the most vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chain), as no cases were identified in fiscal year 2023 -2024. As work continues to identify and implement measures to mitigate risks of forced or child labour, strategies to remediate the loss of income to the most vulnerable families affected by the measures will be explored as needed.

TRAINING

PSPC is currently developing awareness-raising guidance materials, including risk mitigation strategies for suppliers, that will be targeted towards high-risk sectors. Health Canada will leverage these resources upon their publication in support of a consistent government-wide strategy, and create its own supporting tools, policies and procedures as appropriate.

Health Canada will continue to create awareness for their contracting authorities through information sessions and updates during regular team meetings. Earlier in 2024, contracting authorities were requested to attend the Canadian Institute for Procurement and Materiel Management (CIPMM) and Treasury Board of Canada Secretariat (TBS) Round Table, titled, Ethical Procurement. The department will continue to attend and participate in such sessions, as they become available.

ASSESSMENT OF EFFECTIVENESS

Health Canada's initial priority is to identify and implement measures to ensure that forced labour and child labour are not being used in Health Canada contracts. Once these measures have been developed and implemented, strategies will be explored to establish a monitoring and assessment framework.

MOVING FORWARD

In response to the recent coming-into-effect of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (January 2024)*, Health Canada began research and analysis to mitigate the risk of forced labour and child labour in our activities and supply chains. Efforts will continue to advance the research and analysis of the contractors involved in supplying the specialized goods required by Health Canada, establish new and amend existing processes and procedures to mitigate the risks of these abhorrent practices, and create awareness in the contracting and business owner communities. Pertaining to the Act, the department recognizes the responsibility to ensure that exploitive practices are addressed and eradicated from our supply chains. Health Canada remains committed to increasing awareness, conducting fair, open, and transparent procurement processes, and reviewing, amending and improving business practices as a whole ⁵.

REFERENCES

1. Health Canada. (2014, February 27). *About Health Canada*. [About Health Canada - Canada.ca](#)
2. Health Canada. (2024, February 12). *Health Portfolio*. [Health Portfolio - Canada.ca](#)
3. Health Canada. (2024, February 29). *2024-2025 Departmental Plan: Health Canada*. [2024–2025 Departmental Plan: Health Canada - Canada.ca](#)
4. Health Canada, (2022, October 20). *Health Canada Procurement Plan (Acquired Services) 2022-2023*. [Health Canada Procurement Plan \(Acquired Services\) 2022-2023 - Canada.ca](#)
5. Public Safety Canada. (2024, March 13). *Forced Labour in Canadian Supply Chains*. [Forced Labour in Canadian Supply Chains - Publicsafety.gc.ca](#)