



# Forced Labour in Canadian Supply Chains

## Annual Report 2023-24

### Table of Contents

Introduction.....	2
Structure, activities and supply chains.....	2
About the Military Grievances External Review Committee .....	2
Procurement activities and supply chains .....	2
Mitigating Forced and Child Labour Risks in Government Procurement .....	3
Policies and Due Diligence for Labour Practices .....	3
Remediation Measures .....	4
Loss of Income Remediation .....	4
Training.....	4
Assessing Effectiveness .....	4
Approvals.....	5

## Introduction

Senate Public Bill S-211, also known as the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and an amendment to the Customs Tariff, was enacted on January 1, 2024. This legislation mandates that the leaders of all government institutions involved in the production, procurement, or distribution of goods, whether domestically or internationally, must submit an annual report to the Minister of Public Safety no later than May 31 each year.

This report for the fiscal year 2023-24 has been prepared in compliance with Senate Public Bill S-211, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, which requires annual reporting from federal entities on the measures taken to prevent forced and child labour in their supply chains.

## Structure, activities and supply chains

### About the Military Grievances External Review Committee

The Military Grievances External Review Committee (Committee) is an independent administrative tribunal reporting to Parliament through the Minister of National Defence.

The Committee reviews military grievances referred to it pursuant to s.29 of the *National Defence Act* and provides findings and recommendations to the Chief of the Defence Staff and the Canadian Armed Forces member who submitted the grievance.

The Committee's raison d'être is to provide an independent and external review of military grievances. Section 29 of the *National Defence Act* provides a statutory right for an officer or a non-commissioned member who has been aggrieved, to grieve a decision, an act or an omission in the administration of the affairs of the Canadian Armed Forces. The importance of this broad right cannot be overstated since it is, with certain narrow exceptions, the only formal complaint process available to Canadian Armed Forces members.

The Committee is a Government of Canada micro-organization operating with less than 50 full-time equivalents. It supports the Chairperson and Chief Executive Officer in fulfilling her mandate.

### Procurement activities and supply chains

The Committee operates with an annual budget of \$7.5M, of which approximately 87% is dedicated to salaries.

On average, the Committee allocates about \$1 million each year to operating and maintenance costs, 75% of which covers rent and Memorandums of Understanding (MOUs), as well as Service Level Agreements (SLAs) with other government departments (OGD).

In the 2023-24 fiscal year, excluding MOUs and SLAs with OGDs, the Committee spent approximately \$280K on contracts for goods and services, with about 70% made through Public Service and Procurement Canada (PSPC) Standing Offers and Supply Arrangements.

Within the same fiscal year, the Committee purchased approximately \$84K on goods, representing about 8% of its total operating and maintenance expenditures.

While PSPC supports government institutions in their daily operations by acting as the central purchasing agent for the Government of Canada, the Committee undertakes activities as per its own procurement authority, independently of PSPC tools.

### **Mitigating Forced and Child Labour Risks in Government Procurement**

The Committee has integrated PSPC's updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement in our purchasing activities.

In addition, to prevent and reduce the risk of forced labour or child labour in our procurements, the Committee has used PSPC tools such as standing offers and supply arrangements, as well as Shared Services Canada's standing offers.

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. 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 of 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](#)

### **Policies and Due Diligence for Labour Practices**

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.

The Committee has incorporated the latest PSPC General Conditions for goods contracts and the PSPC Code of Conduct for Procurement into our purchasing processes. To diminish the risks associated with forced labour and child labour in our procurements, the Committee employs tools like PSPC's standing offers and supply arrangements, as well as those from Shared Services Canada.

### **Assessing and Managing Labour Risks in Supply Chains**

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.

The Committee has familiarized itself with information on the risk assessment provided by PSPC and is monitoring related follow-action, including the development of a Policy on Ethical Procurement.

### **Remediation Measures**

Between the coming into force of the Act on January 1, 2024 and March 31, 2024, the Committee, a micro-organization with limited resources, has not taken any measures to remediate any forced labour or child labour in its activities and supply chains.

In the future, the Committee will continue to rely on PSPC and SSC processes and take measures to remediate any forced labour or child labour in the supply chain. Moreover, through its SLA, the Committee will work with the Parole Board of Canada to put in place additional measures.

### **Loss of Income Remediation**

Between the coming into force of the Act on January 1, 2024 and March 31, 2024, the Committee, a micro-organization with limited resources, has not 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 labour or child labour in the organization's activities and supply chains.

### **Training**

Training programs are regularly updated and provided to employees and suppliers to ensure awareness and compliance with the policies against forced and child labour.

The Committee is aware that PSPC is currently developing awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. The Committee is monitoring the development of these materials and will leverage these resources upon their publication.

In its mandatory training strategy, the Committee has already identified contract courses relevant to various positions in its organization. This strategy will be revised once PSPC awareness training is available.

### **Assessing Effectiveness**

While the Committee does not currently have policies and procedures in place to assess the effectiveness of the steps taken to ensure that forced labour and child labour are not being used in its activities and supply chains, it will leverage the steps taken by PSPC in their established standing offers and supply arrangements.

## Approvals

This 2023-24 Annual Report is approved by:

---

Jean-François Poirier, CPA, M.P.A.

**Chief Financial Officer**

---

Kelly Walsh

**Chairperson and Chief Executive Officer**