Forced Labor in Canadian Supply Chains

ANNUAL REPORT 2023-24

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For a print copy of this publication, please contact:

Office of the Commissioner of Lobbying 410 Laurier Avenue West, 8th Floor Ottawa ON K1R 1B7

Tel.: (613) 957-2760 Fax: (613) 957-3078

Email: Info@lobbycanada.gc.ca

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Lo2-9E-PDF ISSN 2818-2626

Aussi offert en français sous le titre

Commissariat au lobbying - Travail forcé dans les chaînes d'approvisionnement canadiennes - Rapport annuel 2023-2024

Table of contents

Introduction	1	
Structure, activities and supply chains	1	
Structure of the Office of the Commissioner of Lobbying	1	
Procurement activities and supply chains	1	
Policies and due diligence processes	3	
Forced labour and child labour risks		
Remediation measures	4	
Remediation of loss of income	4	
Training	4	
Assessing effectiveness	5	

Introduction

Senate Public Bill S-211, <u>An Act to enact the Fighting Against Forced Labor and Child Labor in Supply Chains Act and to amend the Customs Tariff</u>, came into force on January 1, 2024.

This Act requires that the head of every government institution whose activities include producing, purchasing or distributing goods in Canada, or elsewhere, submit an annual report to the Minister of Public Safety on, or before, May 31 of each year.

This report aims on the steps taken by the Office of the Commissioner of Lobbying (OCL) to prevent or reduce the risk that forced labour or child labour is used at any step of the production of goods purchased from the coming into force of the Act and the end of the last fiscal year (March 31st, 2024).

Structure, activities and supply chains

Structure of the Office of the Commissioner of Lobbying

The federal lobbying regime sets requirements and standards for the transparent and ethical lobbying of federal officials. The Commissioner of Lobbying with the support of the Office administers the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

Our primary responsibilities include:

- maintaining and enhancing the Registry of Lobbyists
- expanding awareness and understanding of the lobbying regime and compliance obligations through education
- conducting compliance work that supports respect of federal lobbying requirements

The Office of the Commissioner of Lobbying is a micro-organization of 37 full-time equivalents (FTEs) that supports the Commissioner in achieving her mandate.

Procurement activities and supply chains

The OCL has a total budget of approximately \$6M. Most of OCL's budget is spent on salary expenses and Memorandum of Understandings (MOUs) with other federal institutions.

In 2023-24, excluding MOUs, the OCL spent a total of \$828K on contracts for goods and services. From that amount, \$71K were for goods only purchased through 42 contracts (purchase orders, call-ups against standing offers and commitments).

During the last fiscal year, the OCL purchased the following types of goods:

• Books, Maps and Other Publication

Office Supplies

- Teletype and Facsimile Equipment
- ADP Central Processing Unit (CPU, Computers), Digital
- Office Devices and Accessories
- Antennas, Waveguides and Related Equipment
- ADP Input-Output and Storage Devices

- Miscellaneous Printed Matter
- Household Furniture
- Cleaning Equipment and Supplies
- ADP Components
- Miscellaneous Furniture and Fixtures
- Telephone and Telegraph Equipment

Table 1. Types of goods

GSIN Number	Types of goods	Numbers of contracts	Total cost by types of purchase	% of total purchases by types
N5805	Telephone and Telegraph Equipment	1	\$9,217	13.00%
N5815	Teletype and Facsimile Equipment	4	\$202	0.29%
N5985	Antennas, Waveguides and Related Equipment	4	\$1,121	1.58%
N7021	ADP Central Processing Unit (CPU, Computers), Digital	5	\$37,760	53.29%
N7025	ADP Input-Output and Storage Devices	10	\$3,816	5.39%
N7050	ADP Components	3	\$6,942	9.80%
N7105	Household furniture	1	\$67	0.09%
N7195	Miscellaneous Furniture and Fixtures	2	\$2,592	3.66%
N7510	Office Supplies	6	\$628	0.89%
N7520	Office Devices and Accessories	1	\$709	1.00%
N7600	Books, Maps, and Other Publication	1	\$7,302	10.31%
N7690	Miscellaneous Printer Matter	1	\$420	0.59%
N7900	Cleaning Equipment and Supplies	2	\$74	0.10%

At the OCL, approximately 76% of the annual value of our purchases were made through the use of Public Services and Procurement Canada (PSPC) tools such as Standing Offers and Supply Arrangements.

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 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, the OCL has integrated the Code into our procurement processes, 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.

In 2024-25, the OCL will work with its procurement provider, the Parole Board of Canada, to put in place additional measures to prevent and reduce risks that forced labour or child labour is used at any steps of the purchasing of goods.

Forced labour and child labour risks

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.

Following this analysis, it was identified that goods purchased in the following categories at the OCL represent a risk for forced labour and child labour:

- Antennas, Waveguides and Related Equipment
- Office Supplies
- Office Devices and Accessories

In 2023-24, the OCL spent a total of 2,458\$ for these types of goods, representing 3.47% of all goods purchased.

We have familiarized ourselves with information on the risk assessment provided by PSPC, and we will monitor their related follow-actions which includes 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 OCL, a microorganization with limited resources, has not taken any measures to remediate any forced labour or child labour in its activities and supply chains.

In 2024-25, the OCL will work with its procurement provider, the Parole Board of Canada, to put in place additional measures to prevent and reduce risks that forced labour or child labour is used at any steps of the purchasing of goods.

Remediation of loss of income

Between the coming into force of the Act on January 1, 2024, and March 31, 2024, the OCL, a microorganization 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 organisation's activities and supply chains.

Training

Between the coming into force of the Act on January 1, 2024, and March 31, 2024, the OCL, a microorganization with limited resources, has not developed any training or awareness material.

The OCL is 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.

Assessing effectiveness

Between the coming into force of the Act on January 1, 2024, and March 31, 2024, the OCL, a micro-organization with limited resources, has not developed any methods to assess the effectiveness of its initiatives to reduce or eliminate the risks of forced labour or child labour.