

# **PUBLIC HEALTH AGENCY OF 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, Public Health Agency of 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 the Public Health Agency of 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 Public Health Agency of Canada's website. In addition, per *section 22* of the Act, Public Health Agency of 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](#).

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## LIST OF ABBREVIATIONS

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

## **ABOUT PUBLIC HEALTH AGENCY OF CANADA**

The Public Health Agency of Canada (PHAC) delivers on the Government of Canada's commitment to help protect the health and safety of all Canadians. Its activities focus on:

- Promoting health;
- Preventing and controlling chronic diseases and injuries;
- Preventing and controlling infectious diseases;
- Preparing for and responding to public health emergencies;
- Serving as a central point for sharing Canada's expertise with the rest of the world;
- Applying international research and development to Canada's public health programs; and
- Strengthening intergovernmental collaboration on public health and facilitating national approaches to public health policy and planning <sup>1</sup>.

With an agency population over 4,000 (i.e., in 2023), PHAC is part of the Health Portfolio which includes, Health Canada (HC), Canada Food Inspection Agency, Patented Medicine Prices Review Board, and Canadian Institutes of Health Research <sup>2,3</sup>.

PHAC builds on effective collaborations and partnerships with federal departments, provinces, territories, Indigenous communities, and stakeholders to deliver the information and services that Canadians have come to expect from their public health agency <sup>4</sup>.

## **STRUCTURE, ACTIVITIES AND SUPPLY CHAINS**

PHAC is organized into branches, offices, and senior leadership. The senior leadership includes the Minister of Health, the Minister of Mental Health and Addictions and Associate Minister of Health, the Chief Public Health Officer, the President of PHAC, and the Executive Vice-President of the PHAC. Branches and offices include:

1. Office of International Affairs for the Health Portfolio
2. Health Promotion and Chronic Disease Prevention Branch
3. Office of Audit and Evaluation
4. Data, Surveillance and Foresight Branch
5. Strategic Policy Branch
6. Infectious Diseases and Vaccination Programs Branch
7. National Microbiology Laboratory Branch
8. Regulatory, Operations and Emergency Management Branch
9. Chief Financial Officer and Corporate Management Branch

The Agency has a centralized approach to procurement, with the Procurement and Investment Management Directorate under the Chief Financial Officer Branch of HC delivering centralized procurement and contracting services to HC and PHAC, through a Shared Services Partnership, 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, controls and reporting mechanisms to facilitate fair, open and transparent procurement activities.

PHAC utilizes the following mechanisms and tools to purchase goods:

- PHAC'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 the Agency's delegated authority.
- Procurement tools such as standing offers and supply arrangements put in place by PSPC and SSC.
- PHAC's emergency authority when there is a situation that meets the criteria for a pressing emergency.

Items that are frequently procured for the Agency include, but are not limited to, pharmaceutical and other medicinal products, laboratory and medical supplies, materials and supplies such as optical and laboratory instruments and supplies, and computer equipment.

Overall, the agency's activities involve purchasing and distributing goods, both within and outside of Canada.

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

PHAC 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.

PHAC has adopted the PSPC anti-forced labour clauses and the Code in goods contracts issued under its authority. Furthermore, the Agency has initiated several preliminary steps to mitigate the risks associated with forced labour and child labour in Agency 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 Agency.
- 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 Agency 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 Agency 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, PHAC 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 to identify the goods which are likely at risk of exposure to forced labour and child labour. 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**

The Agency 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 Agency continues on our research and analysis, guidance for remediation will be established as needed.

### **MEASURES TAKEN TO REMEDIATE LOSS OF INCOME**

The Agency 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. PHAC 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.

PHAC will continue to support their business owners to better understand their supply chains and to meet their needs for specialized goods to deliver on their programs. In addition, 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 Agency will continue to attend and participate in such sessions, as they become available.

### **ASSESSMENT OF EFFECTIVENESS**

PHAC's initial priority is to identify and implement measures to ensure that forced labour and child labour are not being used in PHAC 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)*, PHAC 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 PHAC, 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. PHAC remains committed to increasing awareness, conducting fair, open, and transparent procurement processes, and reviewing, amending and improving business practices as a whole <sup>6</sup>.

## REFERENCES

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4. Public Health Agency Canada. (2023, February). *Public Health Agency of Canada 2023-24 Departmental Plan*. [Departmental Plan - Canada.ca](#)
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