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Public Safety Canada

Annual Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

2024

Canada

Read this publication online at: www.publicsafety.gc.ca/cnt/rsrcs/pblctns/2024-frcd-lbr-chld-lbr-spply-chns-ct/index-en.aspx

The 2024 report covers the financial year beginning on April 1, 2023, and ending on March 31, 2024. It details the steps the Department has taken to prevent and reduce the risk that forced labour or child labour is used at any step of the procurement of goods.

Aussi disponible en français sous le titre : Rapport annuel en vertu de la *Loi sur la lutte contre le travail forcé et le travail des enfants dans les chaînes d'approvisionnement*.

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Message from the Ministers

We are pleased to present Public Safety Canada's first annual report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. This report outlines the work done by Public Safety Canada (PS) to ensure that federal supply chains are free from forced labour and child labour.

Canada is committed to promoting and protecting human rights at home and abroad. Everyone has a right to safe, secure, and dignified working conditions, free from compulsion, intimidation, and fear.

The report has demonstrated that there are opportunities for continuous improvement. The *Supply Chains Act* has gone a long way to raise awareness of forced labour and child labour issues across governments, industry and among the Canadian public. It has also sparked productive conversations within the federal government and has drawn attention to existing initiatives to address human trafficking, forced labour and child labour, promoted responsible business conduct abroad and ensured ethical public procurement.

The awareness and collaborative relationships built during this first year of the reporting exercise will provide the foundations necessary to enhance the federal response to forced labour and child labour in public supply chains in future years. Our officials will continue to support entities and ensure that government institutions meet their obligations under the *Supply Chains Act*, and enhance their efforts to prevent and address exploitative practices in Public Safety Canada's own procurement supply chains.

The Honourable Dominic LeBlanc, P.C., K.C., M.P.
Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs

The Honourable Harjit S. Sajjan, P.C., O.M.M., M.S.M., C.D., M.P.
President of the King's Privy Council for Canada, Minister of Emergency Preparedness and Minister responsible for the Pacific Economic Development Agency of Canada

Introduction

Purpose

This report has been developed as a response to the reporting obligations under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Supply Chains Act).

Reporting under the Supply Chains Act is an annual exercise that requires the head of every government institution whose activities include producing, purchasing or distributing goods in Canada or elsewhere to publish a report on or before May 31 of each year.

The purpose of the legislation is to contribute to the implementation of Canada's international commitment to fight against forced labour and child labour through the imposition of reporting obligations on:

- Government institutions producing, purchasing or distributing goods in Canada or elsewhere; and
- Entities producing goods in Canada or elsewhere or in importing goods produced outside Canada.

PS is subject to reporting requirements as per section 5 of the *Supply Chains Act*[1] and therefore must report on steps taken during its previous financial year to prevent and reduce the risk that forced labour or child labour was used at any step of the production of goods produced, purchased or distributed by the Department.

Scope

The 2024 report covers the steps PS has taken during the financial year beginning on April 1, 2023, and ending on March 31, 2024. Given that PS does not produce or generally distribute goods, the report details the steps that were taken to prevent and reduce the risk that forced labour or child labour was used at any step of the production of goods purchased by PS.

[1] https://laws.justice.gc.ca/eng/acts/F-10.6/page-1.html#h-1397930

The PS Portfolio is composed of the Department of Public Safety and Emergency Preparedness, five agencies (Canada Border Services Agency, Canadian Security Intelligence Service, Correctional Service of Canada, Parole Board of Canada, Royal Canadian Mounted Police) and three review bodies (Civilian Review and Complaints Commission for the Royal Canadian Mounted Police, Office of the Correctional Investigator, and Royal Canadian Mounted Police External Review Committee). This report reflects the measures undertaken by PS only, not its Portfolio. PS Portfolio agencies and review bodies are responsible for developing and submitting their respective reports.

Given that the Supply Chains Act came into force on January 1, 2024, the Department's ability to collect detailed information on risks of forced labour and child labour in supply chains for goods purchased during the reporting period, as well as on measures to address those risks, was limited. The information presented in this report is not comprehensive but is intended to provide a high-level overview of the measures taken by the Department with the intention of providing more detailed information in future reports.

Authorities and application

At PS, the Director General of the Corporate Services Directorate is appointed as the Senior Designated Official for the Management of Procurement and is responsible for the implementation of procurement policy initiatives such as the requirements outlined in the Supply Chains Act.

The information provided within this report also considers purchases made by PS through Public Services and Procurement Canada (PSPC) and Shared Services Canada (SSC).

PSPC is a common service provider responsible for planning and organizing the acquisition of goods for federal departments in accordance with section 6 of the *Department of Public Works and Government Services Act*[2]. As the central purchasing entity for the Government of Canada, PSPC develops and implements contracting

[2] https://laws-lois.justice.gc.ca/eng/acts/p-38.2/

instruments and tools that can be used by government institutions when undertaking procurement under their own authority.

SSC is a common service provider responsible for planning, organizing, and acquiring related goods and services pursuant to section 7 of the *Shared Services Canada Act*[3]. SSC is responsible for operating and modernizing the Government of Canada's IT infrastructure.

[3] https://laws-lois.justice.gc.ca/eng/acts/S-8.9/

Annual report

Structure, activities and supply chains

PS was created in 2003 to ensure coordination across all federal departments and agencies responsible for national security and the safety of Canadians. PS' mandate is to keep Canadians safe from a range of risks such as natural disasters, crime and terrorism, with a mission to build a safe and resilient Canada.

PS has three essential roles, set out in legislation:

- support the Minister's responsibility for all matters related to public safety and emergency management not assigned to another federal organization;
- exercise leadership at the national level for national security and emergency preparedness; and,
- support the Minister's responsibility for the coordination of entities within the PS portfolio.

PS is responsible for coordinating and supporting the efforts of federal departments/agencies in collaboration with all levels of government, Indigenous communities, municipalities, industry and stakeholders. By building and implementing national policies for emergency management, national security and community safety, PS is advancing and modernizing its approach to meet the needs of the nation and its citizens.

The Department's work is supported by procurement activities. While PSPC and SSC support federal departments in their daily operations as central purchasing agents for the Government of Canada, PS undertakes activities under its own procurement authority.

PS has authority to enter into a contract for goods, including all applicable taxes and amendments up to a cumulative value of $25,000.

During the 2023 to 2024 financial year, most of PS' purchases for goods and services were under the following areas:

- Professional services
- Electronic subscriptions and publications
- Training
- Translation services
- Office furniture
- Licensing and software
- Office supplies
- IT equipment

As a whole, the Department awarded $35,256,075 through contracts (including amendments), $1,535,376 of which were for goods. Approximately 38% of the Department's purchases of goods were made through PSPC or using PSPC tools such as Standing Offers and Supply Arrangements and approximately 49% of the Department's purchases of goods were made through SSC or using SSC tools such as Standing Offers and Supply Arrangements.

PS purchased approximately $59,495 in goods under its own procurement authority, representing approximately 13% of contracts for goods. PS does not have information on whether purchased goods originated within or outside of Canada. Moving forward, PS will continue to work with the support of its common service providers on increasing visibility of supply chains for purchases.

As per the Directive on the Management of Procurement[4], PS is required to proactively publish information on contracts in accordance with Part 2 of the *Access to Information Act*[5] and any associated policies, directives or guidelines, including the Guide to the Proactive Publication of Contracts[6]. Detailed information on PS' individual purchasing activities over $10,000 can be found on the Open Government[7] Website.

[4] https://www.tbs-sct.canada.ca/pol/doc-eng.aspx?id=32692
[5] https://laws-lois.justice.gc.ca/eng/acts/a-1/
[6] https://www.tbs-sct.canada.ca/pol/doc-eng.aspx?id=32763
[7] https://open.canada.ca/en

Steps to prevent and reduce risks of forced labour and child labour

Measures, tools and general conditions

PS uses PSPC's tools, including Standing Offers and Supply Arrangements. Since November 2021, PSPC has implemented anti-forced labour clauses in all goods contracts to allow for the termination of contracts where there is credible information that the goods have been produced in whole or in part by forced labour. 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 PS 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[8].

PS has also integrated PSPC's updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement[9] into its purchasing activities under its own delegation to further prevent and reduce the risk of forced labour or child labour in its procurement supply chains.

National Strategy to Combat Human Trafficking 2019-2024

PS is committed to preventing human trafficking in federal procurement supply chains. In 2019, the Government of Canada launched the National Strategy to Combat Human Trafficking (National Strategy), led by PS and involving approximately a dozen federal departments/agencies.

Under the empowerment pillar of the National Strategy, the Government committed to outline requirements on human and labour rights for suppliers and to examine long-term approaches to addressing child labour and forced labour in federal procurement supply chains. As part of the National Strategy, PS also launched a national public awareness campaign to create awareness of forced labour and sex trafficking.

[8] https://buyandsell.gc.ca/policy-and-guidelines/policy-notifications/PN-150

[9] https://www.tpsgc-pwgsc.gc.ca/app-acq/cndt-cndct/cca-ccp-eng.html

Policies and due diligence processes

Code of Conduct for Procurement

Effective April 1, 2023, amendments to the Treasury Board Directive on the Management of Procurement[10] require that responsive contracting authorities incorporate the Code of Conduct for Procurement (the Code) into their procurements. Pursuant to the aforementioned amendments, PS has integrated the Code where applicable, with a view to safeguarding federal procurement supply chains from forced labour and child labour.

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.

Ethical procurement

The ethical procurement measures which apply to PS purchasing activities are part of broader federal efforts to implement human rights due diligence including Canada's responsible business conduct strategy[11] and the National Strategy To Combat Human Trafficking 2019-2024[12].

The particular steps of the due diligence process, outlined in the OECD (Organisation for Economic Co-operation and Development) Due Diligence Guidance for Responsible Business Conduct[13], that these measures reflect, include:

- Embedding responsible business conduct into policies and management systems;

[10] https://www.tbs-sct.canada.ca/pol/doc-eng.aspx?id=32692

[11] https://www.international.gc.ca/trade-commerce/rbc-cre/strategy-2022-strategie.aspx?lang=eng

[12] https://www.publicsafety.gc.ca/cnt/rsrcs/pblctns/2019-ntnl-strtgy-hmnn-trffc/index-en.aspx

[13] https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm

- Identifying and assessing adverse impacts in operations, supply chains and business relationships; and,
- Ceasing, preventing, or mitigating adverse impacts.

As a department of the Government of Canada, PS has a responsibility to uphold the state duty to protect against human rights abuses, as set forth in the United Nations Guiding Principles on Business and Human Rights[14]. This involves ensuring that third parties with which the Department conducts business transactions, including its vendors and their sub-contractors, respect human rights in their operations and supply chains.

Existing due diligence measures focus on preventing adverse human rights impacts in supply chains, and PS recognizes that further work is needed to create mechanisms for addressing impacts where they are found to exist.

Forced labour and child labour risks

PS does not currently have departmental measures in place to assess the risk of forced labour and child labour in PS' supply chains. However, the Department is committed to working with stakeholders and federal partners to build its knowledge and expertise to better assess the risks of forced labour and child labour in its activities and 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, informed ethical procurement initiatives undertaken in the 2023 to 2024 fiscal year and elaborated key strategies for PSPC to leverage public spending power to raise awareness about forced labour in supply chains.

In the absence of its own departmental risk assessment, PS has reviewed the risk assessment conducted for goods purchased specifically by PSPC and used the results to determine whether some of the goods purchased by PS may be at risk of using forced labour and child labour. The risk assessment concluded that office supplies and

[14] https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

electrical and electronic equipment components were some of the goods purchased by PSPC at highest risk of human trafficking, forced labour, and child labour.

PS is monitoring PSPC's follow-up actions related to the findings of the risk assessment, including the development of a Policy on Ethical Procurement.

Remediation of forced labour and child labour

In the absence of a department-specific risk assessment, PS has not yet identified forced labour or child labour in ongoing activities and its supply chains.

The Department acknowledges that human rights due diligence obligations include a responsibility to provide for and co-operate in remediation measures where forced labour or child labour is found to exist. The Department is committed to following international best practices as it continues to develop capacity to identify and respond to forced labour and child labour risks.

Remediation of loss of income

In the absence of a department-specific risk assessment, PS has not identified instances of loss of income to vulnerable families resulting from efforts to eliminate forced labour and child labour in our procurement supply chains, and therefore no remediation measures have been implemented.

Training

While PS does not currently provide training to employees specific to addressing risks of forced labour and child labour in its purchasing activities, training on procurement, for example the online Procurement Fundamentals course available to all Government of Canada employees, includes information on roles and responsibilities as they relate to ensuring integrity and oversight in the procurement process.

As part of efforts to combat human trafficking[15] more broadly, PS continues to implement a national public awareness campaign which includes targeted materials on

[15] https://www.publicsafety.gc.ca/cnt/cntrng-crm/hmn-trffckng/actns-cmbt-hmn-trffckng-en.aspx

forced labour. A public human trafficking campaign page[16] is also available for federal departments and the general public to learn about forced labour and sex trafficking.

Also, under the National Strategy, PSPC is working to raise awareness of ethical procurement issues among suppliers and to support suppliers to understand their human and labour rights obligations, identify vulnerabilities in their supply chains, and develop and implement tools for ensuring compliance in their supply chains. PSPC has also conducted engagement and awareness-raising activities[17] with industry on ethical procurement issues.

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

Assessing effectiveness

Although not yet in place, PS is committed to exploring mechanisms to assess effectiveness, which will further inform prevention measures to address risks of forced and child labour in government supply chains. More needs to be done to create dedicated mechanisms for evaluating the effectiveness of such efforts, and PS will continue to support this important work as it progresses.

[16] https://www.canada.ca/en/public-safety-canada/campaigns/human-trafficking.html

[17] https://www.canada.ca/en/public-services-procurement/services/acquisitions/better-buying/reducing-barriers/protecting-human-rights-in-supply-chains.html