Annual Report on the application of the Fighting Against Forced Labour and Child Labour in Supply Chains Act

Table of contents

Part 1: Identifying information

- Raison d'être
- Mandate and role

Part 2

- 2.1 Structure, activities and supply chains
- 2.2 Steps taken to prevent and reduce the risk of forced labour or child labour
- 2.3 Policies and due diligence processes
- 2.4 Activities and supply chains that carry a risk of forced labour or child labour being used and steps taken to assess and manage risk
- 2.5 Measures taken to remediate any forced labour or child labour
- 2.6 Measures taken to remediate the loss of income to the most vulnerable families
- 2.7 Training provided to employees on forced labour and child labour
- 2.8 Assessment of effectiveness in ensuring that forced labour and child labour are not being used in activities and supply chains
- Conclusion

Part 1: Identifying information

Raison d'être

The President of the King's Privy Council for Canada is responsible for the Public Service Commission of Canada (PSC) in accordance with the *Financial Administration Act* and for tabling the PSC's annual report under the *Public Service Employment Act*. The PSC reports independently on its mandate to Parliament.

Through collaboration with departments and agencies, the PSC is dedicated to building tomorrow's public service, one that is based on excellence and is representative of Canada's diversity. It safeguards non-partisanship and promotes and protects merit and the use of both official languages in a staffing and recruitment context. It supports departments and agencies in recruiting talented people from across the country through innovative and modern services, tools and practices.

Mandate and role

Under the delegated staffing system set out in the *Public Service Employment Act*, the PSC fulfills its mandate by promoting and safeguarding a non-partisan, merit-based and representative public service that serves all Canadians. We do this by:

- supporting departments and agencies in hiring qualified individuals into and within the public service
- overseeing and ensuring the integrity of public service hiring
- protecting the non-partisan nature of the public service while respecting employees' rights to participate in political activities
- delivering recruitment programs and assessment services

Part 2

2.1 Structure, activities and supply chains

Structure

The PSC is a core public administration agency (Schedule IV). As stated in the *Public Service Employment Act*, its structure consists of a President and 2 or more other Commissioners. While the President serves on a full-time basis, the other Commissioners serve on a part-time basis. The President and other Commissioners are appointed by the Governor in Council and hold office for a term of 7 years. The appointment of the President is made by commission under the Great Seal, after approval by resolution of the Senate and House of Commons.

The PSC is divided into 4 sectors: the Corporate Affairs Sector, Oversight and Investigations Sector, Policy and Communications Sector, Services and Business Development Sector. It is also supported by a Corporate Secretariat and a Legal Services Unit.

Activities

The PSC promotes and safeguards a merit-based, representative and non-partisan public service that delivers results for all Canadians.

Through policy direction and guidance, it supports departments and agencies in hiring qualified individuals into and within the public service, helping to shape a workforce reflecting Canada's diversity.

It delivers recruitment programs and assessment services supporting the strategic recruitment priorities of the Government of Canada and the renewal of the public service, leveraging modern tools to reduce barriers for Canadians accessing public service jobs.

It oversees public service hiring, ensuring the integrity of the hiring process.

The PSC provides guidance to employees about their legal rights and responsibilities related to political activities. It also renders decisions on political candidacy, respecting employees' rights to participate in political activities while protecting the non-partisan nature of the public service.

Supply chains

The PSC exclusively purchases commercial off-the-shelf goods from institutional/commercial retailers (Tier 1). It does not transact with other participants of the supply chain such as manufacturers (Tier 3) or wholesalers (Tier 2).

The PSC's supply chains are mostly prescribed by the Mandatory Standing Offers established by Public Services and Procurement Canada.

Through 9 mandatory commodity groups for goods, the retailers are pre-designated and required to be used by all government departments and agencies, including the PSC:

- N84: Clothing, Individual Equipment and Insignia
- N58: Communication, Detection, and Coherent Radiation Equipment
- N91: Fuels, Lubricants, Oils and Waxes
- N71: Furniture
- N70: General Purpose Automatic Data Processing Equipment (Including Firmware), Software, Supplies and Support Equipment
- N23: Ground Effect Vehicles, Motor Vehicles, Trailers and Cycles
- D3: Information Processing and Related Telecommunication Services
- N74: Office Machines, Text Processing Systems and Visible Record Equipment
- N75: Office Supplies and Devices

2.2 Steps taken to prevent and reduce the risk of forced labour or child labour

The PSC is a government institution that purchases goods in Canada. Since Public Services and Procurement Canada retains the delegation of authority for the purchase of goods, the PSC must adhere to the policies and due diligence processes applied by Public Services and Procurement Canada. These policies include: Public Services and Procurement Canada's general conditions 2010A, 2015A, 2029, 2030 and 2030ACB, which all contain an anti-forced labour requirements clause.

While Public Services and Procurement Canada supports government institutions in their daily operations by acting as the central purchasing agent for the Government of Canada, the PSC also undertakes activities under its own procurement authority. From April 1, 2023, to March 31, 2024, such procurement activities took place in the following areas: Informatics equipment and parts, office equipment and furniture including parts and miscellaneous goods and products.

Throughout the year, we consistently adhered to the policies and processes applied by Public Services and Procurement Canada, including standing offers and supply arrangements. We integrated Public Services and Procurement Canada's Code of Conduct for Procurement as well as the updated general conditions for goods contracts into our purchasing activities to prevent and reduce the risk of forced labour or child labour in our procurements.

Since November 2021, Public Services and Procurement Canada has 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 Public Services and Procurement Canada standing offers and supply arrangements for goods that have been issued, amended or refreshed include anti-forced labour clauses.

As such, all PSC contracts for goods resulting from the use of Public Services and Procurement Canada standing offers and supply arrangements include clauses relating to forced labour which set out, among other things, human rights and labour rights requirements. These clauses can be found in Policy Notification 150: Anti-forced labour requirements.

2.3 Policies and due diligence processes

Effective April 1, 2023, amendments to the Treasury Board *Directive on the Management of Procurement* require contracting authorities from the institutions listed below to incorporate the Code of Conduct for Procurement into their procurement activities:

- all departments listed in Schedules I, I.1 and II of the *Financial Administration Act* (with the exception of the Canada Revenue Agency)

- commissions established in accordance with the *Inquiries Act* and designated as a department for the purposes of the *Financial Administration Act*

Pursuant to these amendments, the PSC has integrated the code of conduct into our procurement activities, with a view to safeguarding federal procurement supply chains from forced labour and child labour. As a result, the code of conduct has been included in the general conditions of all contracts for goods awarded by the PSC.

The code of conduct requires that vendors providing goods and services to the Government of Canada and their sub-contractors comply with all applicable laws and regulations. It also 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 and applies to all imports, regardless of origin.

For example, Public Services and Procurement Canada inserted clause A3006T: Ethical procurement certification (2018-09-07) in accordance with Policy Notification 132: Requirements for the ethical procurement of apparel into all Clothing, Individual Equipment and Insignia Standing Officers (N84).

The PSC ensures adherence to Policy Notice 132 and the relevant due diligence process by exclusively using Public Services and Procurement Canada's standing offers and contract templates.

2.4 Activities and supply chains that carry a risk of forced labour or child labour being used and steps taken to assess and manage risk

The PSC has not identified any risks of forced labour or child labour in its activities and supply chains during the fiscal year ending March 31, 2024.

In May 2021, a risk analysis of Public Services and Procurement Canada's supply chains was completed by 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 analysis, and subsequent report, elaborated key strategies for Public Services and Procurement Canada to leverage public spending power to raise awareness about forced labour in supply chains.

Public Services and Procurement Canada identified N75: Office Supplies and Devices as a supply chain that carry a risk of forced labour or child labour. Since N75: Office Supplies and Devices is a mandatory commodity group, Public Services and Procurement Canada, not the PSC, is mandated to assess and manage the N75: Office Supplies and Devices.

We have familiarized ourselves with information on the risk assessment provided by Public Services and Procurement Canada, and are monitoring related follow-up action, including the development of a Policy on Ethical Procurement.

2.5 Measures taken to remediate any forced labour or child labour

The PSC has not taken any specific measures to remediate forced labour or child labour. Since the identified supply chain at risk (N75: Office Supplies and Devices) is managed by Public Services and Procurement Canada, the PSC follows prescribed instructions.

2.6 Measures taken to remediate the loss of income to the most vulnerable families

As the PSC did not take any direct measures to eliminate the use of forced labour or child labour in its activities and supply chains, subsequent measures to remediate the loss of income to the most vulnerable families are not warranted at this point.

2.7 Training provided to employees on forced labour and child labour

We are aware that Public Services and Procurement Canada 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.

2.8 Assessment of effectiveness in ensuring that forced labour and child labour are not being used in activities and supply chains

The PSC does not have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

Conclusion

The PSC is committed to the elimination and prevention of forced labour and child labour. We recognize the importance of this endeavor and are dedicated to working with our partners to prevent and reduce the risk that such practices are part of our supply chains.

Date modified: