

Report on the Treasury Board of Canada Secretariat's  
Compliance with the *Supply Chains Act* 2023–24

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## Part 1: Identifying information

Name of government institution: Treasury Board of Canada Secretariat

Financial reporting year: April 1, 2023, to March 31, 2024 (fiscal year 2023–24)

## Part 2: Report contents

### 2.1 Information on the government institution's structure, activities and supply chains

The Treasury Board of Canada Secretariat (TBS), under the leadership of the President of the Treasury Board, is the central agency that acts as the administrative arm of the Treasury Board.

As the administrative arm of the Treasury Board, TBS has a dual mandate:

1. support the Treasury Board as a committee of ministers
2. fulfill the statutory responsibilities of a central government agency

To fulfill its mandate, TBS organizes its business and resources around four core responsibilities:

1. spending oversight
2. administrative leadership
3. employer
4. regulatory oversight

Sectors, offices and branches of TBS include:

- Centre for Greening Government
- Corporate Services Sector
- Economic Sector
- Expenditure Management Sector
- Government Operations Sector
- Human Resources Division
- Internal Audit and Evaluation Bureau
- International Affairs, Security and Justice Sector
- Legal Services Branch
- Office of Public Service Accessibility
- Office of the Chief Human Resources Officer
- Office of the Chief Information Officer
- Office of the Comptroller General
- Priorities and Planning Sector
- Regulatory Affairs Sector
- Social and Cultural Sector
- Strategic Communications and Ministerial Affairs Sector

TBS procures goods and services. Goods can be procured up to an amount of \$25,000 per contract, including amendments. For certain goods, such as information technology

(IT) equipment, security equipment and photocopiers, incumbents of delegated positions must confirm with appropriate departmental authorities any limits and alternate arrangements. Contracts for services can be procured non-competitively up to an amount of \$200,000 and competitively up to an amount of \$3,750,000 per contract, including all amendments.

Contracts are issued for TBS as a department and, in some instances, TBS issues contracts that support its central agency role and that have an enterprise-wide impact. These contracts enable:

- operational outcomes
- effective delivery of programs or services using outside experts or additional resources not available within the department mandate

Most of TBS's contracts are for services and not goods.

The contracts that TBS issues as a central agency tend to be government-wide and are usually large, are mostly competitive, and last for multiple years. Such contracts can, for example, be for:

- public service health care
- MyGCHR (HR system application)
- Government of Canada relocation services
- financial management transformation
- SAP IT resources
- language training for public servants

Four sectors account for approximately 90% of total departmental contract values and are the heaviest users of contracting services:

1. Office of the Chief Human Resources Officer (OCHRO)
2. Office of the Comptroller General (OCG)
3. Office of the Chief Information Officer (OCIO)
4. Corporate Services Sector (CSS)

Contracts held by three policy centres (OCHRO, OCG and OCIO) are driven by their mandates, which include providing leadership on government-wide policies, services and projects. Contracts under CSS are to support TBS's operations as a department.

Most TBS contracts (over 90% in fiscal year 2023–24) are for professional services such as:

- IT consultants
- IT applications
- management consulting
- other professional services

TBS awarded approximately 260 new contracts in fiscal year 2023–24. Of those, approximately 15 were for goods in the areas of IT hardware (ECON<sup>1</sup> 1282 and 1283) and furniture (ECON 1231). Year over year, contracting at TBS is relatively stable.

Over 90% of TBS's total contract dollars are awarded competitively. Most of TBS's contracts that are sole-sourced are for less than \$40,000 or directed using a mandatory Public Services and Procurement Canada (PSPC) or Shared Services Canada tool.

All contracting for goods and services at TBS is subject to the [Government Contracts Regulations](#) and the Treasury Board [Directive on the Management of Procurement](#). Contracts that have values above departmental authority must be requisitioned through PSPC or require a Treasury Board submission.

Since November 2021, PSPC 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.

In addition, since November 20, 2023, all PSPC standing offers and supply arrangements for goods that have been issued, amended or refreshed have had anti-forced labour clauses added.

As such, all contracts for goods resulting from the use of these procurement tools include clauses related to forced labour that 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](#).

## 2.2 Information on the steps taken 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

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, TBS has integrated PSPC's updated General Conditions for goods contracts and PSPC's [Code of Conduct for Procurement](#) in its purchasing activities.

TBS has communicated this information to its procurement and contracting unit. All TBS procurement officers that have delegated authorities to enter into contracts have received clauses for use in low-, medium- and high-complexity contracts for goods. TBS updated its files and added this information to the procurement area of its shared information management system.

TBS reviewed options to update its systems and procedures, including its automated internal contracting request tool, to add questions about forced labour and child labour.

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<sup>1</sup> ECON is an object code in the government-wide Chart of Accounts. The Chart of Accounts contains the accounts and codes for all the fields that comprise the government-wide coding block.

The aim was to ensure that business owners and contract users are aware of and prevent the use of forced labour and child labour in their activities and supply chains.

To further reduce risk, TBS uses PSPC's standing offers and supply arrangements tools whenever possible for the acquisition of goods. PSPC supports government institutions in their daily operations by acting as the central purchasing agent for the Government of Canada.

TBS exercises due diligence in the procurement process to prevent and reduce the risk that forced labour or child labour is used at any step of the supply chain and always makes best efforts to acquire goods and services in Canada whenever possible.

TBS abides by the rules and regulations that govern contracting as defined in the Treasury Board [Directive on the Management of Procurement](#) and the [Government Contracts Regulations](#) for all contracting, including contracting of goods.

### 2.3 Information on the policies and due diligence processes in relation to forced labour and child labour

Effective April 1, 2023, amendments to the Treasury Board [Directive on the Management of Procurement](#) require contracting authorities at the following government organizations to incorporate the [Code of Conduct for Procurement](#) (the Code) into their procurements:

- all departments listed in Schedules I, I.1 and II of the [Financial Administration Act](#) (except for the Canada Revenue Agency)
- commissions established under the [Inquiries Act](#) and designated as a department for the purposes of the [Financial Administration Act](#)

Following these amendments, and to safeguard federal procurement supply chains from forced and child labour, TBS reviewed its annual procurements and incorporated the Code into its procurement contracts. Contracts that TBS has awarded included the Code through the General Conditions.

The Code requires vendors and their subcontractors to follow all applicable laws and regulations. They must also comply with Canada's ban on importing goods produced, in whole or in part, by forced or compulsory labour, no matter the country of origin.

The ban on importing 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 Chapter 23, "Labour," of the Canada-United States-Mexico Agreement (CUSMA) and applies to all imports, regardless of origin.

### 2.4 Information on the parts of its activities and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk

In May 2021, Rights Lab of the University of Nottingham, U.K., completed a risk analysis of PSPC's supply chains to determine which goods were at most risk of human trafficking, forced labour and child labour. The analysis and report outlined key

strategies for PSPC to use public spending power to raise awareness about forced labour in supply chains.

TBS is aware of this information and has reviewed PSPC's risk assessment. It is monitoring actions that will follow, including the potential development of an internal policy on ethical procurement.

#### 2.5 Information on any measures taken to remediate any forced labour or child labour

Not applicable. For the fiscal year 2023–24, TBS has not identified any forced labour or child labour in its activities and supply chains.

#### 2.6 Information on any measures taken 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 institution's activities and supply chains

Not applicable. For the fiscal year 2023–24, TBS has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in TBS's activities and supply chains.

#### 2.7 Information on the training provided to employees on forced labour and child labour

As soon as materials and training on the *Supply Chain Act*, ethical procurement, and forced and child labour were available, TBS ensured that all employees of its procurement and contracting unit were informed, and training became mandatory.

All TBS procurement and contracting officers attended a mandatory training session, including an overview on the *Supply Chains Act* with speakers from Public Safety Canada and PSPC. PSPC also held a webinar on ethical procurement, which officers also attended for further information, education and awareness.

Information and presentations given at meetings of the Senior Designated Official (SDO) Council were distributed to TBS's procurement and contracting unit as they became available.

Training and material on related subjects, reports, guidance and presentations included the following:

- “Ensuring Ethical Procurement”
- “Fighting Against Forced Labour and Child Labour: *Supply Chains Act*”
- “Technical Briefing to Government Institutions: Fighting Against Forced and Child Labour in *Supply Chains Act*”

The following documents were reviewed and shared:

- the May 2021 report by the University of Nottingham Rights Lab, *Risk Analysis of Human Trafficking, Forced Labour and Child Labour in Public Works and Government Services Canada's (PWGSC's) Procurement Supply Chains*
- PSPC's *Standard Language – Government Institutions' Annual Report: Fighting Against Forced Labour and Child Labour in Supply Chains Act*

- Public Safety Canada’s *Reporting obligations under the Fighting Against Forced Labour and Child Labour in Supply Chains Act: Guidance and Template for Government Institutions*

TBS created a new area in its information management system in a folder named “Supply Chain Act Documents.” It is available to all TBS procurement and contracting officers and contains training documentation, presentations, guidance, templates and standard language.

TBS is aware that PSPC is further developing awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted toward high-risk sectors. TBS’s procurement and contracting unit will:

- continue to monitor the development of these materials
- leverage these resources upon their publication, including any information shared at meetings of the Senior Designated Official (SDO) Council

TBS has been added to Public Safety Canada’s email distribution mailing list and shared the generic mailbox [SupplyChainsActInquiries-LoiChainesApprovisionnementEnquetes@ps-sp.gc.ca](mailto:SupplyChainsActInquiries-LoiChainesApprovisionnementEnquetes@ps-sp.gc.ca) with its procurement and contracting unit for officers’ questions, information or clarification.

## 2.8 Information on how the government institution assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains

As soon as TBS learned that the *Supply Chains Act* had come into force in January 2024, managers of TBS’s procurement and contracting unit set up a working group. It discussed TBS’s types of procurements and whether TBS was aware of any potential risks. This working group will continue to meet regularly to review TBS’s procurements and potential risks.

Through its Procurement Monitoring, Reporting and Oversight Team, TBS regularly conducts reviews and prepares reports. TBS will be regularly reviewing goods procurement requests and contracts to identify and reduce any risks of forced or child labour. Whenever there are changes to the rules that govern Government of Canada contracting, TBS reviews and adjusts its processes accordingly. TBS also ensures that effective controls are in place through its automated systems for contracting and finance.

Procurement and contracting staff have received existing guidance material and information, and TBS will continue to distribute materials as they are developed to increase knowledge and awareness.

TBS abides by the procurement policy as defined in the Treasury Board [Directive on the Management of Procurement](#) and the *Government Contracts Regulations* for all contracting, including contracting of goods. TBS’s procurement and contracting unit continues to review its procedures to assess the effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

## Key definitions

Definitions from Section 2 of the *Supply Chain Act* are as follows:

### **child labour**

Means labour or services provided or offered to be provided by persons under the age of 18 years and that:

- a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
- b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
- c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
- d) constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999.

### **due diligence<sup>2</sup>**

Refers to an ongoing management process to identify, prevent, mitigate and account for how an institution addresses actual and potential adverse human rights impacts in their operations and supply chains. There are four key parts to due diligence:

- Identifying and assessing actual and potential human rights impacts (for example, screening new suppliers for risks of forced labour and child labour);
- Integrating your findings across your institution and taking appropriate action to address impacts (for example, introducing internal training on forced labour and child labour, and processes for incident reporting);
- Tracking your institution's performance to check whether impacts are being addressed (for example, doing an internal audit of your supplier screening); and
- Publicly communicating what you are doing (for example, by publishing your annual report per the Act or publicly responding to allegations against a supplier).

### **forced labour**

Means labour or service provided or offered to be provided by a person under circumstances that:

- a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service;
- b) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted at Geneva on June 28, 1930.

### **government institution**

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<sup>2</sup> Adapted from the due diligence definition of the Organisation for Economic Co-operation and Development.

Has the same meaning as in section 3 of the *Access to Information Act*. Section 3 defines government institution as:

- a) any department or ministry of state of the Government of Canada, or any body or office, listed in Schedule I; and
- b) any parent Crown corporation, and any wholly-owned subsidiary of such a corporation, within the meaning of section 83 of the *Financial Administration Act*.

### **head**

Has the same meaning as in section 3 of the *Access to Information Act*:

- in the case of a department or ministry of state, the member of the Queen's Privy Council for Canada who presides over the department or ministry, or
- in any other case, either the person designated under subsection 3.2(2) to be the head of the institution for the purposes of this Act or, if no such person is designated, the chief executive officer of the institution, whatever their title

### **minister**

Means the Minister of Public Safety and Emergency Preparedness; however, this role (as of January 1, 2024) is assigned to the Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs.

### **production of goods**

Includes the manufacturing, growing, extracting and processing of goods.

## Tools and resources

International standards resources

- [United Nations: Guiding Principles on Business and Human Rights](#)
- [OECD Due Diligence Guidance for Responsible Business Conduct](#)
- [Ending child labour, forced labour and human trafficking in global supply chains](#)
- [Sustainable procurement \(ISO 20400\)](#)
- [ISO 26000: Social responsibility](#)
- [SA8000 Standard: social accountability certification](#)
- [Ethical Trading Initiative \(ETI\) Base Code](#)

Government of Canada's resources and frameworks

- [Code of Conduct for Procurement](#)
- [Canada's Strategy on Responsible Business Conduct Abroad](#)
- [Resources and tools for responsible business conduct](#)
- [National Strategy to Combat Human Trafficking 2019-2024](#)