

Fighting Against Forced Labour and Child Labour in Supply Chains Act - Annual Report 2024-25

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1.0 General

1.1 About the report

The purpose of this report is to identify the steps that the Canadian Grain Commission (CGC) has taken throughout the 2024-2025 fiscal 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 CGC.

1.2 Definitions

The following definitions apply throughout this report:

Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act): An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff.

Child labour: 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. (travail des enfants)

Forced labour: 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; or
- b. constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930. (travail forcé)

2.0 Structure, activities and supply chains

2.1 Structure of the Canadian Grain Commission

The CGC is a federal Government department that administers the provisions of the [Canada Grain Act](#) and reports to Canadians and Parliament through the [Minister of Agriculture and Agri-Food](#).

The mandate of the CGC is to “...in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets.” The CGC’s Core Responsibility is Grain Regulation, or, to regulate grain handling in Canada and to establish and maintain science-based standards for Canadian grain. The Commission regulates the handling of 21 grains grown in Canada to protect producer rights and to ensure the integrity of grain transactions. Our results are that domestic and international markets regard Canadian grain as dependable and safe, and that farmers are fairly compensated for their grain deliveries.

CGC’s three programs are integral to what we do, guiding how we operate and are held accountable: Grain Quality, Grain Research and Safeguards for Farmers. All internal services support these program objectives. We also recognize and incorporate international frameworks, standards and regulations, such as ISO 17025 and international testing and standardization practices for grain. Our governance considerations include practices, controls and procedures to govern, make decisions, comply with laws and meet external and internal stakeholder needs.

Our stakeholders are Canadian grain producers and the grain industry - including agribusiness and agri-food operators who provide inputs or add value to the agriculture and food industry. We’re a team of approximately 450 employees, operating from offices located in Quebec, Ontario, Alberta, Saskatchewan and British Columbia and Headquartered in Winnipeg, Manitoba.

2.2 Procurement activities and supply chains

In fiscal year 2024-2025, CGC procured IT hardware, software, professional services, leases, leasehold improvements, office supplies, equipment and office furnishings in support of operations. In support of Research and Science, the CGC also procured scientific equipment, laboratory consumables, performance maintenance services and replacement parts for the scientific equipment. CGC applies standard procurement and vendor risk management practices aligned with regulatory requirements, including those highlighted under this Act.

Category	Description
Corporate goods and services	Goods and services intended for staff and their health and safety (e.g., office supplies, ergonomic equipment, office furniture, computer software, computers, peripherals,

	network hardware, health and safety products, first-aid materials, first-aid courses, sanitary supplies).
Laboratory Goods and Services	Goods and Services intended to scientifically support and maintain standards of quality for Canadian grain and regulate grain handling in Canada
IT services	Fees related to infrastructure, networks, communications, software support and all cloud services.
Printing services	Production of research posters and promotional materials for trade shows
Marketing and other professional services	Communications, marketing and advertising agencies mandated with respect to projects to attract our audience, corporate consulting services (e.g., auditing, legal, HR, IT services).
Maintenance and technical equipment	Technical equipment for operations, components and any maintenance associated with these elements.
Maintenance and scientific equipment	Scientific equipment for research and internal services in support of CGC mandate, components and any maintenance associated with these elements.

The majority of the CGC's purchases are from manufacturers and authorized resellers of goods and services located in North America and Europe.

These goods are mainly sourced using methods of supply established by the federal government's common providers of acquisition services: Public Services and Procurement Canada and Shared Services Canada. It is important that suppliers we work with share CGC values and reflect who and what we stand for. The CGC understands that doing business with integrity, ensuring strong governance and complying with policies will maintain our reputation as a trusted partner to our stakeholders and the public.

We expect to collaborate with individuals and businesses who respect and adhere to applicable municipal bylaws, provincial and federal laws and regulations, who hold all permits and licenses required by law, and whose activities show respect and care for the environment, animal welfare and labour standards.

CGC procurement practices ensure fair consideration and evaluation of suppliers, appropriate risk management methodologies, and adherence to Treasury Board of Canada Secretariat recommendations.

3.0 Policies and due diligence processes

The CGC has embedded responsible business conduct into policies and management systems as part of its due-diligence process. These include: a federal public service-wide Code of Conduct for Procurement, our Code of Values and Ethics and procurement management framework, and our commitment to consider Environmental, Social and Governance criteria for all CGC procurement activities and decisions.

In 2024-2025, CGC Procurement, Contracting and Material Management underwent an extensive internal audit. Once this audit has been accepted by authorized signatories, CGC-specific Procurement and Vendor Management policies will be published on the CGC intranet along with standardized processes and controls to ensure value for money when procuring goods and services. The expectation is that internal business practices must promote fairness and transparency in procurement decision making, effectively managing vendor relationships and mitigating risks associated with any services contracted to vendors.

The CGC has integrated Public Services and Procurement Canada's (PSPC's) updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement into our purchasing activities. CGC also initiated a due diligence process regarding forced and child labour largely by stringently using Canadian vendors for services whenever possible and through increased use of Public Services and Procurement Canada (PSPC) tools such as Standing Offers and Supply Arrangements.

As of November 2021, PSPC has implemented anti-forced labour clauses in all goods contracts completed on behalf of the CGC for Goods outside the departmental delegated authority 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](#).

4.0 Risk identification and actions

For the initial report last year, the CGC identified spending categories within our supply chain and assessed the type of products and services sourced within those categories that carry a risk of forced labour or child labour. These categories stem from a 2021 risk analysis of PSPC's supply chains 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.

In order of Risk Ranking, the CGC's most commonly procured categories of goods include:

- N75 Office Supplies and Devices (ranked third)
- N62 Lighting, Fixtures and Lamps (ranked fourth)
- N84 Clothing, Individual Equipment and Insignia (ranked seventh)
- N63 Alarm, Signal & Security Detection Systems (ranked eighth)
- N66 Instruments and Laboratory Equipment (ranked twenty-first)

The CGC ensured that all these product categories were either purchased through a PSPC tool which has already incorporated evolved risk management strategies or were purchased directly by PSPC on behalf of the CGC.

5.0 Remediation of forced labour or child labour

During the reporting year, the CGC did not identify any forced labour or child labour in our activities or supply chains. The CGC commits to taking remedial action if any instances of forced or child labour arise within our activities or supply chains.

6.0 Remediation of loss of income

CGC 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 our activities and/or supply chains. As such, no measures have been taken to remediate the loss of income for the most vulnerable families.

7.0 Training

The CGC has assigned a lead resource to ensure training to employees - specifically to address the risk of forced labour and child labour in the supply chain. The primary focus will be on training the Procurement unit staff, followed by a roll-out to all key CGC business owners that will be involved in procurement activities.

The CGC Procurement unit also promotes vigilance towards ensuring ongoing risk identification and risk mitigation practices are in place and seeks activities within the Procurement community that raise awareness and engage with strategic partners.

8.0 Effectiveness Assessment

Recognizing that this is a new reporting requirement, the CGC has not finalized policies and/or procedures to assess the effectiveness of its efforts to prevent the use of forced labour and child labour in its activities and supply chains. The current delegation of authority for Goods ensures that all purchases over \$25,000 are made either directly through PSPC and SSC or are completed using their contracting tools (i.e. Supply Arrangements and Standing Offers) which include anti-forced labour clauses.

9.0 Forward looking

In the next fiscal year, CGC will implement an action plan to strengthen internal procurement risk evaluation and mitigation practices, focusing on vendors within the “high risk” spend categories and ensuring all Procurement team members receive training to learn how to identify potential non-compliant vendors and cease contract discussions with any vendor where there are concerns related to forced labour and child labour in CGC’s activities and supply chain.

In future years, the CGC will establish a variety of monitoring, evaluation and feedback mechanisms to gauge the effectiveness of our efforts to prevent and address forced and child labour. These efforts may include reviews of supplier performance, audits of internal processes and surveys of key stakeholders. By systematically collecting and analyzing data on compliance, incidents and outcomes, the CGC will be better positioned to identify areas for improvement, measure progress over time and adapt our strategies and interventions accordingly

CGC will post internal guidance for the following:

- Code of Conduct for Procurement

- Reputational Assessment for Vendor risk management (a questionnaire to new/existing Vendors regarding Forced Labour and Child Labour in the Supply Chain)
- Procurement and Vendor Management Policy
- Supplier Code of Conduct Policy

CGC will continue to benchmark its practices against peers within the Federal Government and monitor regulatory requirements.

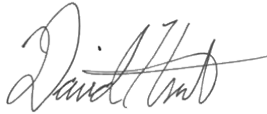
Attestation

In accordance with the requirements of the Act, and in particular section 6 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

David Hunt

Chief Commissioner

A handwritten signature in black ink, appearing to read "David Hunt", with a stylized flourish at the end.

I have the authority to bind 'Canadian Grain Commission'