

Canadian Human Rights Commission

2025 Annual Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

For the financial reporting year April 1, 2024, to March 31, 2025

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Background

The <u>Fighting Against Forced Labour and Child Labour in Supply Chains Act</u> (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.

This report is submitted by the Canadian Human Rights Commission (the Commission) and covers activities from April 1, 2024, to April 1, 2025.

Commission's structure and mandate

The Commission was established by Parliament through the 1977 <u>Canadian Human Rights</u>
<u>Act</u> (CHRA). We operate under the authority of the CHRA, the <u>Accessible Canada Act</u> (ACA), the <u>Employment Equity Act</u> (EAA), the <u>Pay Equity Act</u> (PEA) and the <u>National Housing Strategy Act</u> (NHSA). Our vision is an inclusive society where everyone is valued and respected, and has access to equal opportunities, free from discrimination.

The Commission provides fair mechanisms for human rights resolution, enforcement and advocacy inside a single expert organization. We provide free, confidential, and accessible pathways for people in Canada to understand their rights, resolve disputes, and seek redress, often without the need to proceed to complex, lengthy and costly public hearings. We advance human rights in Canada by representing the public interest, identifying emerging issues and advocating for change that keeps pace with society so that Canada is inclusive, equitable and barrier-free.

We are internationally accredited as Canada's National Human Rights Institution. As Canada's national human rights institution, we hold Canada accountable to its international and domestic human rights commitments. In 2023, the Commission was reaccredited "A-status" by the Global Alliance of National Human Rights Institutions (GANHRI). The Commission has a specific role as Canada's designated body responsible for monitoring Canada's implementation of the UN Convention on the Rights of Persons with Disabilities.

We also support and develop human rights research and policy, in consultation with rights holders and stakeholders. We speak out and raise awareness on human rights issues in Canada and advise Parliament on new laws and emerging human rights issues.

We are responsible for auditing federally regulated employers to promote compliance with the 1995 EEA, which requires federally regulated employers to take steps to eliminate barriers and increase representation in the workplace for members of the four currently designated, equity-deserving groups: women, Indigenous peoples, racialized people and people with disabilities.

The Commission supports the Accessibility Commissioner and the Pay Equity Commissioner in their mandates. They are responsible for holding federally regulated employers to account for requirements under the ACA— which aims to create a barrier-free Canada — and the PEA — which aims to correct gender wage gaps.

We also support the <u>Federal Housing Advocate</u>, who is an independent, nonpartisan watchdog created by the NHSA to drive meaningful action to address housing need and homelessness in Canada as a human rights issue.

Activities and supply chains

The Commission's procurement activities and supply chains involve the purchase of goods inside and outside of Canada. In 2024-25, the Commission had an operating budget of \$41.5 million of which, \$4.6 million (11%) was spent on the procurement of goods & services. This includes \$4.34 million for services and \$247K for goods. The portion spent on goods was mostly for Informatics Equipment and Parts (\$201K).

In 2025-26, the Commission's spending on the acquisition of goods and services is expected to continue to decline as the operating budget has declined from \$41 million to \$39.5 million. In total, spending on the acquisition of goods and services is anticipated to decline by at least 12%. The vast majority of purchases are made through Canadian companies with a very small amount made internationally, mostly with American suppliers.

In almost every case, the Commission uses procurement tools available through Public Services and Procurement Canada (PSPC) and Shared Services Canada (SSC) such as Standing Offers and Supply Arrangements. Approximately 90% of the Commission's purchases of goods were made using these tools.

Since November 2021, Public Services and Procurement Canada (PSPC) has included anti-forced labour clauses in all goods contracts, allowing for contract termination when credible information indicates that goods were produced, in whole or in part, using forced labour or human trafficking. Furthermore, as of November 20, 2023, all PSPC Standing Offers and Supply Arrangements for goods, whether newly issued, amended, or refreshed, also include these clauses. These instruments represent the majority of procurement vehicles used for acquiring goods.

For goods procured under the Commission's own procurement authority, the Commission applies PSPC's Standard Acquisition Clauses and Conditions (SACC) Clause 2029, which incorporates anti-forced labour provisions into all goods contracts. In addition, the Commission has integrated an annex into its purchase order template, requiring suppliers to attest and certify that the goods provided comply with these provisions for each procurement requirement issued.

Risks and remediation

Commission activities and supply chain that carry a risk of forced labour:

The Commission has performed an analysis of its activities and supply chains to identify parts of the Commission's activities and supply chain that carry a risk of forced labour. 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, elaborated key strategies for PSPC to leverage public spending power to raise awareness about forced labour in supply chains. The Commission has reviewed the contents of this report.

Given the limited size and nature of the Commission's procurement activities and the fact that the Commission uses PSPC and SSC procurement tools whenever possible, we have not currently identified any specific risks related to forced labour and child labour but will continue to monitor for emerging risks and will take steps to respond to any risks identified in the future.

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

The Commission has taken the following steps since the implementation of the Supply Chain Act 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 Commission:

- Favoring the use of PSPC procurement tools to decrease the risk of forced labour and/or child labour;
- Implementing anti-forced labour and/or child labour contractual clauses;
- Incorporating anti-forced labour clauses in all goods contracts whether the procurement is done through PSPC procurement tools or through the Commission's own procurement authority;
- Ensuring that procurement employees have taken training on the risk of child labour in the procurement process; and
- Continuing to analyse the types and quantities of goods procured along with the
 procurement tools used, to identify possible risk areas. Given the nature and limited size
 of the Commission's procurement activities and the fact that the Commission uses PSPC
 and SSC procurement tools whenever possible, the Commission has not currently
 identified any specific risks related to forced labour and child labour but will continue to
 monitor for emerging risks and will take steps to respond to any risks identified in the
 future.

Policies and due diligence processes in relation to forced labour and child labour:

The Commission has processes in place that prevent and reduce the risk of forced labour and/or child labour. These include:

- Embedding responsible business conduct into policies and management systems; and
- Ceasing, preventing or mitigating adverse impacts

As noted above, for goods purchased under PSPC's procurement tools, PSPC has implemented anti-forced labour clauses in all goods contracts and for goods purchased under the Commission's own procurement authority, clauses will also be added to contracts.

Measures taken to remediate any forced labour or child labour:

The Commission has not identified any instances of forced labour or child labour within its operations or supply chains; as such, this requirement is currently not applicable.

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:

The Commission has not identified any instances of loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains; as such, this requirement is currently not applicable.

Training provided to employees on forced labour and child labour:

All procurement employees have attended mandatory information sessions on the requirements of the Act and how to incorporate the requirements into the Commission's procurement process.

Assessing effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains:

The Commission has conducted an analysis of the types and quantities of goods procured, as well as the procurement tools used. Given the nature and limited scale of the Commission's procurement activities, and the reliance on PSPC and SSC procurement tools whenever possible, the Commission has not identified any specific risks related to forced or child labour at this time. However, the Commission remains committed to ongoing monitoring and will take appropriate action should any such risks emerge in the future.

Accessibility of report

The Commission makes this report available to the public by publishing it on our web site in a prominent place.

Attestation

This report is approved by the Interim Chief Commissioner (Deputy Head) pursuant to section 4(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, as indicated above.