



Patented Medicine
Prices Review Board
Canada

Conseil d'examen du prix
des médicaments brevetés
Canada

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

Patented Medicine Prices Review Board

2023-24

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Background

Under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“*Supply Chains Act*”), released January 2024, all institutions within the federal government of Canada are responsible for issuing an annual report that details the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains.

Departments must report on the contracting activities undertaken under their own procurement authority. For the purposes of this report, only contracts related to the purchase of goods are considered; contracts for services have been omitted. As the central purchasing entity for the Government of Canada, Public Services and Procurement Canada (PSPC) develops and implements contracting instruments and tools that departments can use when undertaking procurements under their own authority.

Structure, activities, and supply chains.

The Patented Medicine Prices Review Board (PMPRB) is an independent, quasi-judicial administrative body established by Parliament in 1987 under the *Patent Act*. The PMPRB has a dual price review and reporting mandate: to ensure that the prices of patented medicines sold in Canada are not excessive and to report on trends in pharmaceutical sales and pricing for all medicines and on research and development (R&D) spending by rights holders.

The PMPRB has only one office location, in Ottawa. The department is comprised of 82 full-time equivalent (FTE) employees. There are two employees whose responsibilities include providing procurement services for the agency.

The PMPRB buys goods produced in and outside of Canada. The breakdown of contracts for goods for 2023-24 by contracting entity is shown in Table 1.

Table 1: Number and value of goods contracts in 2023-24 by contracting entity

CONTRACTING ENTITY	NUMBER OF GOODS CONTRACTS	VALUE OF ALL GOODS CONTRACTS	PERCENTAGE OF TOTAL VALUE OF GOODS CONTRACTS
All	47	\$237,219.51	100%
Shared Services Canada (SSC) standing offers & supply arrangements	7	\$134,930.05	57%
Public Service and Procurement Canada (PSPC) standing offers and supply arrangements	16	\$51,552.45	22%
Departmental contracts	24	\$50,737.01	21%

Approximately 21% (\$50,737.01) of the annual value of PMPRB goods contracts were purchased under the PMPRB's own procurement authority, of which 88% (\$44,552.37) were contracts for software

licenses. As software is considered a low-risk product in the assessment of forced labour, contracts issued under the PMPRB's own authority in 2023-24 were considered to be low-risk overall.

Both SSC and PSPC have implemented anti-forced labour clauses in all goods contracts to ensure that contracts can be terminated where there is credible information that the goods have been produced in whole or in part by forced labour or human trafficking. All PMPRB goods contracts issued under the PMPRB's own authority include these clauses. These clauses can be found in the [Policy Notification 150 – Anti-forced labour requirements](#).

Policies and due diligence processes

Effective April 1, 2023, amendments to the [Treasury Board Directive on the Management of Procurement](#) require contracting authorities from all departments listed in Schedules I, I.1 and II of the [Financial Administration Act](#) (with the exception of the Canada Revenue Agency) and commissions established in accordance with the [Inquiries Act](#) and designated as a department for the purposes of the [Financial Administration Act](#) to incorporate the [Code of Conduct for Procurement](#) (“the Code”) into their procurements.

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.

All contracts that the PMPRB awarded in 2023-24 included the Code through the General Conditions for goods.

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 (CUSMA) and applies to all imports, regardless of origin.

Forced labour and child labour risks

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. PMPRB procurement staff has familiarized themselves with information on the risk assessment provided by PSPC, and are monitoring related follow-action, including the development of a Policy on Ethical Procurement.

The PMPRB has used PSPC and SSC tools and integrated PSPC's [Code of Conduct for Procurement](#) in our purchasing activities to prevent and reduce the risk of forced labour or child labour in our procurements. PSPC and SSC tools include Standing Offers and Supply Arrangements (SOSA), Shared Services Canada IT Procurement (ITPRO portal) and Software Licensing Supply Arrangement (SLSA). While PSPC supports government institutions in their daily operations by acting as the central purchasing agent for the Government of Canada, the PMPRB also undertakes activities under its own procurement authority, independently of the aforementioned PSPC and SSC tools.

Remediation measures

No measures have been taken.

Remediation of loss of income

No measures have been taken.

Training

PSPC is currently developing awareness-raising guidance materials, including risk mitigation strategies, for suppliers, targeted towards high-risk sectors. PMPRB staff are monitoring the development of these materials and will leverage these resources upon their publication.

Assessing effectiveness

No measures have been taken.