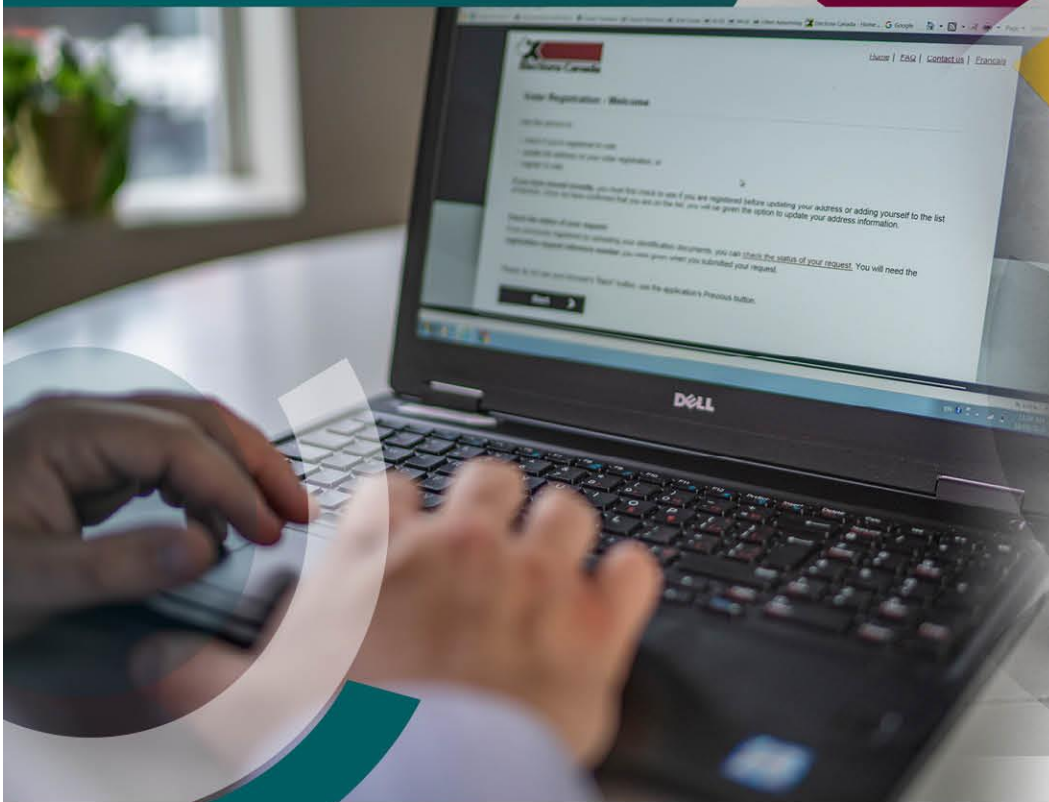




Office of the  
Chief Electoral Officer  
of Canada

# 2023–2024

## Fighting Against Forced Labour and Child Labour in Supply Chains



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# Table of contents

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<b>Introduction .....</b>	<b>4</b>
<b>Structure, activities and supply chains .....</b>	<b>5</b>
<b>Structure, mandate and role .....</b>	<b>5</b>
<b>CEO’s independent contracting authority .....</b>	<b>5</b>
<b>Procurement and contracting function .....</b>	<b>7</b>
<b>Purchasing activities and supply chains .....</b>	<b>7</b>
<b>Steps to prevent and reduce the risk of forced or child labour.....</b>	<b>9</b>
<b>Policies and due diligence processes.....</b>	<b>10</b>
<i>Code of Conduct for Procurement .....</i>	<i>10</i>
<b>Standard terms and conditions .....</b>	<b>10</b>
<b>Trade agreements .....</b>	<b>10</b>
<b>Procurement framework.....</b>	<b>11</b>
<b>Procurement modernization .....</b>	<b>11</b>
<b>Forced labour and child labour risks .....</b>	<b>12</b>
<b>Remediation of forced labour and child labour .....</b>	<b>13</b>
<b>Remediation of loss of income .....</b>	<b>14</b>
<b>Training strategy .....</b>	<b>15</b>
<b>Assessing effectiveness.....</b>	<b>16</b>

# Introduction

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This report is the first report prepared by the Office of the Chief Electoral Officer (OCEO) pursuant to Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act). The purpose of the Act is to contribute to the implementation of Canada's international commitment to fighting against forced labour and child labour through the imposition of reporting obligations on government institutions that produce, purchase or distribute goods in Canada or elsewhere, and entities that produce goods in Canada or elsewhere or import goods produced outside Canada. The Act requires government institutions to report annually on the measures that they have taken during the previous financial year to prevent or reduce the risk that forced labour and child labour are used in any step of the production of goods that are produced, purchased or distributed by the government institution.

The OCEO is a government institution as defined in the Act. We purchase goods in and outside of Canada and distribute goods in Canada to our offices in the field and our polling locations during an electoral event. Our activities do not extend to the production of goods, and we do not manufacture, grow, extract, or process goods in or outside of Canada. This report is for the financial year ended March 31, 2024, hereinafter referred to as the reporting period. In accordance with the Act, the OCEO will publish a report annually to record our ongoing journey toward protecting human rights and preventing and reducing the risk that forced labour or child labour are being used in our activities and supply chains.

# Structure, activities and supply chains

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## Structure, mandate and role

The OCEO is made up of two entities. The first is Elections Canada (EC), which is headed by the Chief Electoral Officer (CEO) and is an independent, non-partisan agency established by Parliament and is responsible for conducting federal electoral events, administering the third party and political financing regimes, and administering the *Canada Elections Act* (CEA). The second is the Office of the Commissioner of Canada Elections (OCCE), which is headed by the Commissioner of Canada Elections (CCE) and is an investigative agency that seeks to protect the integrity of Canadian federal electoral and political financing processes by ensuring compliance with, and enforcement of, the CEA and the *Referendum Act*. This report covers both EC and the OCCE.

The OCEO normally includes some 870 employees working in the National Capital Region. This number rises to approximately 1,600 in the lead-up to and following a general election. For each of the 343 electoral districts, the CEO appoints a returning officer on the basis of merit for a renewable term of 10 years. The CEO also appoints and trains field liaison officers to assist the returning officers from a specific province or part of a province and to liaise with EC headquarters. Returning officers are responsible for administering elections within their respective electoral districts. This includes filling approximately 230,000 election officer positions for advance and ordinary polls and organizing polls in some 15,500 voting locations across the country. Goods purchased directly by returning officers as part of their functions under the CEA are not included in the scope of this report.

## CEO's independent contracting authority

EC is an independent agency established by Parliament with specific and unique authorities pursuant to the CEA. While the OCEO is considered a department for the purposes of the *Financial Administration Act*, as per Schedule I.1, several statutory and policy instruments recognise the specificity of EC. Notably, section 18.2 of the CEA confers the power upon the CEO to enter into contracts to procure goods and services in the name of His Majesty in right of Canada or in the CEO's name in the exercise or performance of his powers, duties and functions under the CEA or any other Act of Parliament. Further, pursuant to subsection 18.2(4) of the CEA, the CEO is not subject to the exclusive power of the Minister of Public Services and Procurement Canada (PSPC) provided for in section 9 of the *Department of Public Works and Government Services Act* to acquire goods on behalf of all departments. As a result, the CEO has the authority to contract for goods and services independently from PSPC. However, considering that the OCEO is part of the "core public administration" under the Financial

Administration Act, the CEO may choose to use PSPC's services to contract for goods or services on his behalf.

## Procurement and contracting function

The OCEO relies on procurement and contracting to support our unique mandate and role through a centralized procurement and contracting function within the agency. The procurement and contracting activities undertaken uphold the highest standards while ensuring compliance with laws, regulations and trade agreement obligations as well as adherence to policies and processes established by the federal government.

For several important reasons, including to safeguard the integrity of the procurement and contracting function, roles and responsibilities are further divided between business owners, procurement advisors and suppliers. Suppliers play a critical role in helping enhance electors' experience both during a general election and in our ongoing procurement and contracting activities.

Ultimately, the OCEO's procurement and contracting activities:

- Comply with the applicable laws, government policies and trade agreements
- Demonstrate prudence and honesty
- Are accessible and fair
- Encourage competition while achieving best value
- Meet the OCEO's requirements

EC's Senior Director of Procurement, Facilities and Workplace Innovation is appointed as the Senior Designated Official for managing procurement and is responsible for implementing procurement policy initiatives, such as the requirements outlined in the Act.

## Purchasing activities and supply chains

During the reporting period, procurement contracts for goods and services awarded by the OCEO with a respective value of over \$10K represented 256 individual transactions for a total aggregate value of approximately \$150M. Of this, 44 contracts were for goods and represented a total aggregate value of approximately \$6M. For all goods contracts, the suppliers were located in Canada; however, the OCEO does not have information on whether these purchased goods originated within or outside of Canada. In 2024–2025 and future years, the OCEO will work toward increasing the transparency and visibility of supply chains for purchases of goods through additional data sources.

The most procured Goods and Services Identification Number (GSIN) made during the reporting period were as follows:

- Computer equipment related to distributed computing environment (desktop, personal and portable)
- Printed matter, including books, newspapers, pictures, manuscripts and forms

- Printing services
- License and maintenance fees for operating system and utility software related to servers, storage, peripherals and components



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

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The OCEO is making active efforts to prevent and mitigate the risks associated with forced labour and child labour in its procurement process.

To prevent and reduce the risk of forced labour or child labour in our procurements, the OCEO has used the following list of PSPC and Shared Service Canada's procurement tools during the reporting period:

- Standing offers
- Supply arrangements
- Anti-forced labour contract clauses

During the reporting period, approximately 65% of the annual value of our goods purchased were made through the use of PSPC or Shared Services Canada procurement tools such as standing offers and supply arrangements.

Since November 2021, PSPC 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 PSPC and Shared Services Canada procurement tools for goods that have been issued, amended or refreshed, include anti-forced labour clauses.

Therefore, all of our contracts for goods resulting from the use of these procurement tools during the reporting period include clauses relating to forced labour which set out, among other things, human rights and labour rights. These clauses can be found in the *Policy Notification 150 – Anti-forced labour requirements*. Further, in 2024–2025 and future years, as the OCEO updates its procurement framework, current processes and practices and enhances our existing governance and oversight measures, we intend on including similar anti-labour contract clauses in the goods contracts issued outside the PSPC and Shared Services Canada procurement tools.

Finally, the OCEO has integrated PSPC's updated general conditions for goods contracts and 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, as further described in the section immediately below.

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# Policies and due diligence processes

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## ***Code of Conduct for Procurement***

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* into their procurements.

Pursuant to the aforementioned amendments, the OCEO has integrated the code into our procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that the OCEO has awarded during the reporting period included the code through the general conditions for goods described above.

The code requires that suppliers 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 suppliers 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.

## **Standard terms and conditions**

The OCEO ensures that suppliers through the issuance of proper solicitations and contracts which include standardized terms and conditions are contractually required to comply with all applicable laws and to adhere to applicable policies and procedures. Suppliers are responsible for all permits, licenses, regulatory approvals and certificates to perform the work. Failure to comply with applicable laws or policies constitutes a default by the supplier and contravention to the agreement and the terms and conditions, which allows the OCEO to take immediate remedial steps, including the disqualification of a solicitation or termination of a contract.

## **Trade agreements**

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.

## **Procurement framework**

The OCEO strongly believes in maintaining an organization culture where our business owners, procurement advisors and suppliers feel empowered in conducting business to support our unique mandate and role which includes reporting of concerns about potential misconduct or violations. If an employee, contracted resource, supplier or other third-party becomes aware of a potential issue involving forced labour or child labour, there are various avenues to report concerns, including recourse mechanisms through the Chief Procurement Officer or Senior Officer for Disclosure of Wrongdoing for EC.

In 2024–2025 and future years, as the OCEO updates its procurement framework, current processes and practices and enhances our existing governance and oversight measures, we will work to put in place additional measures, such as a supplier code of conduct, to prevent and reduce risks that forced labour or child labour is used at any steps during the procurement of goods.

## **Procurement modernization**

The OCEO is currently undergoing a procurement modernization project that will consider and explore how we conduct procurement, the direct impact it has on our reputation, profitability and ability to deliver on our unique mandate and role. Procurement aims to encourage competition among suppliers while achieving the best value for Canadians. As part of the procurement modernization project, a social procurement strategy will be put in place to help the OCEO support and improve our procurement process and take an inclusive approach to consider the full lifecycle of affected stakeholders and broader social outcomes by expanding the definition of value beyond the financial exchange of goods to include social and environmental considerations and benefits for suppliers and Canadians. The prevention and reduction of the risk of forced labour and child labour in its activities and supply chains will be further considered as part of this project.

# Forced labour and child labour risks

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The OCEO does not currently have measures in place to assess the risk of forced labour and child labour and is aware that certain areas of its supply chains may carry a risk of forced labour and child labour, based on countries and goods that are at a higher risk for human rights violations.

In May 2021, a risk analysis of PSPC'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 PSPC to leverage public spending power to raise awareness about forced labour in supply chains.

In the absence of an OCEO-specific risk assessment, we have familiarized ourselves with information on the risk assessment provided by PSPC, and are monitoring related follow-action, including the development of a Policy on Ethical Procurement, which will establish the basis through which to develop a range of targeted ethical procurement activities, initiatives, and frameworks, including specific requirements and tools.

In 2024–2025 and future years, as the OCEO updates its procurement framework, current processes and practices and enhances our existing governance and oversight measures, we will review and update our procurement risk framework, escalation matrix and governance oversight. We will also leverage the reports of other federal organizations to build our knowledge and expertise to identify further potential areas of concern with supply chains.

# Remediation of forced labour and child labour

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During the reporting period, the OCEO did not identify any instances of forced labour or child labour in its activities and supply chains, and therefore was not required to take any remedial action.

# Remediation of loss of income

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During the reporting period, the OCEO did not identify any instances of loss of income to vulnerable families that resulted from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains, and therefore was not required to take remedial action.

# Training strategy

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Recognizing that this is a new reporting requirement, between the coming into force of the Act on January 1, 2024, and March 31, 2024, the OCEO has not developed any training or awareness material on forced labour or child labour.

We are aware that Public Service 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 them upon their publication.

In 2024–2025 and future years, as the OCEO updates its procurement framework, current processes and practices and enhances its existing governance and oversight measures, we will work on developing and including a training component for business owners, procurement advisors and senior management. The training will address and raise awareness specifically on the importance of preventing and mitigating the risks of forced labour or child labour in supply chains during the procurement of goods and ensuring employees are equipped with the knowledge and skills necessary to identify and address issues, ensure compliance and re-enforce responsibilities to report wrongdoing.

This will be supplemented with general communications to raise awareness among all staff.

# Assessing effectiveness

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Recognizing that this is a new reporting requirement, between the coming into force of the Act on January 1, 2024, and March 31, 2024, the OCEO has not developed any methods to assess our effectiveness in ensuring that forced labour and child labour are not being used in our activities and supply chains.

Our ability to operate and ensure long-term success is linked to how well we identify and manage potential risks to the OCEO, including the risk of forced labour or child labour being used in fulfilling our unique mandate and role, and in our supply chains.

Assessing our effectiveness at managing these risks is a shared responsibility. Within our present management structure, accountability for contracted resources and suppliers' human rights generally, and prevention and mitigation of forced labour or child labour in our supply chains in particular, is primarily held by the Chief Procurement Officer. Our Chief Planning and Audit Officer is responsible for overseeing corporate performance and risk management.

In 2024–2025 and future years, as the OCEO updates its procurement framework, current processes and practices and enhances our existing governance and oversight measures, we will work to include and establish a variety of monitoring, evaluation and feedback mechanisms to gauge the effectiveness of our efforts to prevent, reduce and address forced labour and child labour. The OCEO may consider engaging a third party to advise on international best practices regarding the prevention and reduction of forced labour and child labour in supply chains or consider steps to introduce measures to conduct supply chain traceability audits or consider additional contractual terms and conditions in those supply chain areas that carry a higher risk of forced labour and child labour.