



**Federal Economic Development Agency for Southern Ontario**

**Report on Fighting Against Forced Labour and Child  
Labour in Supply Chains 2023–24**

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# Fighting Against Forced Labour and Child Labour in Supply Chains Act - Annual Report (April 1, 2023 to March 31, 2024)

## 1. Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act) came into force on January 1, 2024. The purpose of this Act is to implement Canada's international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations on:

- government institutions producing, purchasing or distributing goods in Canada or elsewhere; and
- entities producing goods in Canada or elsewhere or in importing goods produced outside Canada.

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.

The Act's reporting obligations also apply to entities producing goods in Canada or elsewhere or importing goods produced outside Canada.

In keeping with the purpose of the Act, the Federal Economic Development Agency for Southern Ontario (FedDev Ontario or the Agency) has prepared the following report to fulfill this reporting requirement.

## 2. Report Contents

### 2.1 Information on FedDev Ontario's structure, activities and supply chains

FedDev Ontario works actively to advance and diversify the southern Ontario economy through funding opportunities and business services that support innovation and growth in Canada's most populous region. Agency employees work out of four office locations, including the headquarters in Waterloo, and regional offices in Toronto, Peterborough and Ottawa.

The Agency's mandate is to strengthen the capacity for innovation, and clean, inclusive economic growth in every region of southern Ontario.

FedDev Ontario mainly purchases goods related to daily business activities, including office furniture and supplies, information technology equipment (computers, screens and accessories) and mobile phones. FedDev Ontario purchases all of these goods within Canada.

## 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 procurement of goods by FedDev Ontario

FedDev Ontario has integrated Public Services and Procurement Canada's (PSPC) updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement in its purchasing activities.

In addition, to prevent and reduce the risk of forced labour or child labour in its procurements, FedDev Ontario has used the following list of PSPC tools:

- Standing Offers
- Supply Arrangements

While PSPC supports government institutions in their daily operations by acting as the central purchasing agent for the Government of Canada, FedDev Ontario undertakes activities under its own procurement authority, independently of the aforementioned PSPC tools.

During the previous fiscal year FedDev Ontario purchased goods under its own procurement authority in the following areas: office furniture and supplies, information technology equipment (computers, screens and accessories) and mobile phones.

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

FedDev Ontario requires its vendors and their sub-contractors to meet the expectations and obligations set forth in PSPC's 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 ("the Code") into their procurements.

Pursuant to the aforementioned amendments, FedDev Ontario has integrated the Code into its procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that the organization has awarded included the Code through the General Conditions for goods.

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.

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.

#### 2.4 Information on the parts of FedDev Ontario's 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

FedDev Ontario requires its vendors and their sub-contractors to meet the expectations and obligations set forth in PSPC's Code of Conduct for Procurement.

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.

FedDev Ontario has familiarized itself with information in PSPC's risk assessment and will incorporate key strategies in the Agency's internal processes.

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

FedDev Ontario requires its vendors and their sub-contractors to meet the expectations and obligations set forth in PSPC's Code of Conduct for Procurement.

#### 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 FedDev Ontario's activities and supply chains

FedDev Ontario will be working closely with PSPC, who is the authority on matters pertaining to procurement, to leverage best practices and guidance to assist the Agency in developing measures 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.

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

FedDev Ontario is aware that PSPC is developing awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. The Agency is monitoring the development of these materials and will leverage these resources in its internal processes.

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

FedDev Ontario has integrated Public Services and Procurement Canada's (PSPC) updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement in its purchasing activities.

In addition, to prevent and reduce the risk of forced labour or child labour in its procurements, FedDev Ontario has used the following list of PSPC tools:

- Standing Offers
- Supply Arrangements

FedDev Ontario will be working closely with PSPC, who is the authority on matters pertaining to procurement, to leverage best practices and guidance on how the Agency can assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.