

ANNUAL REPORT ON FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

April 1, 2023–March 31, 2024 Reporting Period

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GENERAL

This first annual report responds to the requirement established in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act), which came into force on January 1, 2024. 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 of forced labour and child labour at any step of the production of goods produced, purchased or distributed by the government institution.

The National Film Board (NFB) is a government institution as defined in the Act. We produce, distribute and purchase goods in and outside of Canada between our headquarters in Montreal (Quebec) and our regional offices in Moncton (New Brunswick), St. John's (Newfoundland and Labrador), Halifax (Nova Scotia), Toronto (Ontario), Edmonton (Alberta) and Vancouver (British Columbia).

EXECUTIVE SUMMARY

The NFB is committed to ethical purchasing, production and distribution practices. Consistent with the Government of Canada's environmental, social and corporate governance objectives, we have mechanisms in place to ensure that risks of forced or child labour across our supply chain are negligible when dealing with direct suppliers, and we make efforts to ensure that they are minimal or negligible in the indirect supply chain. Our commitment and practices complement our Departmental Sustainable Development Strategy and contribute to the United Nations' Sustainable Development Goal 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.

This report will describe:

- our structure, activities and supply chains;
- our policies and due-diligence processes in relation to forced labour and child labour;
- the parts of our 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;
- any measures taken to remediate any forced labour or child labour;
- any measures taken to remediate the loss of income to the most vulnerable families;
- training provided to employees on forced labour and child labour;
- an assessment of our effectiveness in ensuring that forced labour and child labour are not present in our activities and supply chains.

1. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

1.1 MANDATE AND ACTIVITIES

The National Film Board of Canada (NFB) was created by an Act of Parliament in 1939 and is a federal agency within the Canadian Heritage portfolio. The NFB's mandate is to produce and distribute original and innovative audiovisual works that add to our understanding of the issues facing Canadians and raise awareness of Canadian values and viewpoints across the country and around the world. Over the decades, the NFB has become the standard for audiovisual innovation in Canada.

The NFB's duties are set out in the *National Film Act* and the *Financial Administration Act*.

The NFB has an extensive film collection, a conservation laboratory and post-production and R&D facilities. The NFB produces in both official languages through its English and French Programs, composed of several production units, each headed by an executive producer. Its films are made by artists in different regions of Canada.

Films are produced with a crew of independent artists, sometimes in collaboration with a co-producer. The NFB also works with freelancers in many areas, from technical resources to branding.

As of March 31, 2024, the NFB's annual operating budget was approximately \$74 million.

1.2 STRUCTURE

The NFB has four branches: Creation, Distribution and Marketing; Finance and Administration; Technologies; and Human Resources, Strategic Planning and Institutional Services. Procurement activities are executed in response to demands for goods and services from within these divisions.

On March 31, 2024, the NFB had 409 employees (continuous and temporary) across the country.

1.3 SUPPLY CHAINS

In producing and distributing our works, we rely on a wide network of suppliers to procure goods and services. For the reporting financial year, we had over 2,500 direct suppliers. Our annual spend for goods and services is approximately \$21.54 million.

The following table presents the main goods and services that the NFB uses in the context of its operations:

Category	Description
Artists and freelancers	Contracts for film directors, writers, camerapersons, directors of photography, animators and other creatives/crew members for producing films; graphic designers and other independent contractors.
Audiovisual rights licences	Purchase of rights to images and to music to be included in films.
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, first-aid material, first-aid certification courses, sanitary supplies).
IT services	Fees related to infrastructure, networks, communications, software support and all cloud services.
Printing services	Production of posters, catalogues and other promotional material.
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).
Technical services	Services such as closed captioning and video description, editing and digitization.
Transportation and accommodations	Employee and artist transportation and accommodations.
Maintenance and technical equipment	Technical equipment, components and any maintenance associated with these elements.

Most of our direct suppliers of goods and services are 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.

As a film producer and distributor, most of our operations involve the production of documentaries and animation; immersive works were also produced until the closing of the NFB's Interactive Studios in the latter half of 2023–2024. The NFB mainly sells goods such as institutional screening rights (subscriptions), digital films, DVDs, stock shots and archival images, as well as post-production services. We distribute our products directly to consumers (individuals, institutions or businesses), in Canada and worldwide.

2. ACTIONS TAKEN

Given the recent coming-into-force date of the Act, the NFB has not taken any measures to remediate forced or child labour in our activities and supply chains.

However, the NFB has mechanisms in place to ensure that there is no forced or child labour on staff. Staff positions at the NFB all require a minimum of a post-secondary education. For this reason, the NFB does not hire any workers under the age of 18. Also, employees are welcome to decline an offer of employment.

Moreover, in Production, young artists are contracted for voice work occasionally, and children are at times the subject of a documentary production. As explained in Section 4 below, neither of these situations meets the definition of forced labour or child labour.

3. POLICIES AND DUE-DILIGENCE PROCESSES

The NFB has embedded responsible business conduct into its 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 our commitment to taking Environmental, Social and Governance criteria into consideration in all NFB activities and decisions. The NFB is also developing a procurement management framework.

3.1 CODE OF CONDUCT FOR PROCUREMENT

As part of our commitment to ethical sourcing, the NFB has adopted the Code of Conduct for Procurement,¹ which is published and maintained by Public Services and Procurement Canada. The Code outlines expectations and obligations for vendors and their subcontractors who respond to bid solicitations or provide goods and services to Canada. When referenced in published bid solicitations and resulting contracts, the Code provides a framework for ensuring that vendors and subcontractors comply with Canada's commitment to human rights, labour standards and ethical practices. Among these practices, the Code sets the expectation that vendors and subcontractors will comply with Canada's prohibition on the use of forced and child labour in the production or importation of goods, regardless of their country of origin.

At the NFB, the Code is referenced in all published bid solicitations and their ensuing contracts. By responding to a published bid solicitation, bidders attest to the NFB that they will comply with the Code. Vendors and their subcontractors are expected to follow the principles set out in the Code. Should a vendor be unable or unwilling to comply with the Code, we reserve the right to investigate, deem a bid non-responsive, or terminate a contract.

¹ <https://www.tpsgc-pwgsc.gc.ca/app-acq/cndt-cndct/cca-ccp-eng.html>

3.2 CODE OF VALUES AND ETHICS

The NFB's Code of Values and Ethics² applies to all of our employees. The Code sets out the values and ethics that guide employees at the NFB in all their professional activities. It also provides guidelines and principles to support ethical behaviour and decision-making for all public servants. All employees are expected to demonstrate integrity in a manner that will bear the closest public scrutiny. In addition to the overall conduct of our affairs, employees are expected to produce and distribute our works with rigour and ethics, while always respecting the rights of third parties involved in our works.

Acceptance of the values and adherence to the expected behaviours contained within the Code are conditions of employment for every employee, regardless of their level or position. A breach of these values or behaviours may result in disciplinary measures being taken, up to and including termination of employment. Employees are required to review and recommit to the Code annually.

3.3 ADOPTION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES

In the NFB's 2023–2025 Action Plan, the NFB affirmed its commitment to considering Environmental, Social and Governance criteria in all our activities and decisions. Consistent with the 2022 to 2026 Federal Sustainable Development Strategy, the NFB prioritizes sustainable development,³ which includes respecting human rights in everything we do.

3.4 PROCUREMENT MANAGEMENT FRAMEWORK

The NFB is developing a procurement management framework that will consist of processes, systems and controls, and include clearly defined roles, responsibilities and accountabilities, best practices and procedures. The framework will ensure that NFB procurement is executed fairly, openly and transparently, and meets public expectations in matters of prudence and probity.

4. RISK ASSESSMENT AND IDENTIFICATION

The NFB has not identified any parts of its activities and supply chains that carry a risk of forced or child labour being used. Below, we explain why these types of risks are negligible

² https://www.canada.ca/content/dam/nfb-onf/documents/pdfs/ethics-and-value-code/Code%20of%20Values%20and%20Ethics_NFB_20201013.pdf

³ See the NFB's 2023 to 2027 Departmental Sustainable Development Strategy at: https://www.canada.ca/content/dam/nfb-onf/documents/pdfs/strategie-developpement-durable/NFB_2023-2027_DSDS.pdf

among our staff and in film production, and why they are low or difficult to determine in our supply chain.

Among our workforce

We believe that the risk of forced or child labour among our workforce is negligible.

The NFB's Human Resources sector oversees the application of our recruitment policies and practices. Our recruiting processes ensure compliance with applicable standards in Canada.

We also recognize our staff's right to freedom of association. Approximately 83% of our workforce is covered by a collective agreement that ensures compliance with the working conditions negotiated by bargaining agents and, therefore, contributes to excluding the risk of forced or child labour.

Film production

We assess the risk of forced labour or child labour on our productions to be negligible.

On occasion, the NFB contracts child actors. However, this work does not meet the definition of child labour as described in Section 2 of the Act⁴ because it is subject to scale agreements⁵ that have provisions for children that go well beyond Canadian labour standards.

Similarly, when a child is a subject in a documentary production, the child is free to decline to participate. A parent or guardian of the child willingly signs a release on behalf of the child. Subjects of films are not paid since it is not work. This role does not meet the definition of child labour.

Within our supply chains

The NFB recognizes that certain parts of our supply chain may carry risks of forced or child labour. However, we assess the risk of forced or child labour as being minimal in terms of our direct suppliers.

⁴ **Child labour** means 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.

⁵ See Section A27 (Minors) of the NFB–Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) scale agreement and Section 6-11.00 (*Conditions particulières régissant les enfants*) of the NFB–Union des Artistes (UDA) scale agreement.

For certain types of goods and services, the prevalence of this risk increases for suppliers and subcontractors located further down the supply chain—notably in technological components and promotional items. Identifying the risk for these indirect suppliers over which we have little control and visibility may prove to be complex and require certain additional measures that we will address, if and when required.

Given that much of the procurement at the NFB is decentralized, the processes in place to determine the risk of forced or child labour are limited to our staff. We currently develop this awareness by offering training, as described later.

In the future, we plan to mature our risk assessment by aligning with federal partners to identify potential areas of concern within our supply chains, such as geographic regions with known prevalence of forced or child labour, or industries with higher-risk profiles.

5. REMEDIATION OF FORCED LABOUR AND CHILD LABOUR

During the previous financial reporting year, the NFB did not identify any instance of forced or child labour in our supply chains. If instances of forced or child labour arise within our activities or supply chains, the NFB commits to taking remedial action. Available actions include the ability to render bids non-responsive or to terminate contracts if bidders or suppliers have failed to comply with the Code of Conduct for Procurement.

6. REMEDIATION OF LOSS OF INCOME

During the previous financial reporting year, the NFB did not identify any instances where vulnerable families lost income because of measures that we had taken to eliminate the use of forced or child labour in our supply chains.

7. TRAINING

Given that a great deal of purchasing at the NFB is decentralized, the NFB aims to ensure that employees who negotiate and execute purchase agreements are equipped with the knowledge and skills necessary to conduct this work ethically.

The NFB requires all employees with purchasing authority to complete the “Practicing Responsible Procurement” (COR451) course before obtaining and exercising their

purchasing authorities. Offered through the Canada School of Public Service, this online, self-paced course provides managers at all levels with the basic knowledge required to understand their delegated procurement responsibilities within the public service. Additionally, all employees who have responsibilities in the procurement process are required to complete the online, self-paced course “Overview of Procurement” (COR403), which provides a summary for non-specialists of the different functions, policies, roles and responsibilities related to the federal procurement process.

Furthermore, in its 2023–2027 Sustainable Development Strategy,⁶ the NFB proposes to ensure that all of its staff with procurement authority receive training in the concepts and principles of green procurement from the Canada School of Public Service. With this training, through an analysis of the goods and services life cycle, these employees will become better aware of the environmental impacts of every purchase, as well as the benefits of buying green, so that they can successfully integrate ESG considerations as a whole into their procurement decisions. As of March 31, 2024, we had surpassed our target, with over 30% of employees involved in the procurement process having completed the training.

In addition, Procurement Managers participate in Purchasing Management Association of Canada (PMAC) learning events.

By investing in continuous learning for Procurement staff and employees with purchasing authorities, the NFB aims to raise awareness, promote a culture of compliance and empower staff to play an active role in safeguarding human rights throughout our supply chains.

8. EFFECTIVENESS ASSESSMENT

Recognizing that this is a new reporting requirement, the NFB does not currently have procedures in place to assess our effectiveness in ensuring that forced and child labour are not being used in our activities and supply chains.

In future years, the NFB plans to 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 NFB will be better positioned to identify areas for improvement, measure progress over time and adapt our strategies and interventions accordingly.

⁶ See the 2023 to 2027 Departmental Sustainable Development Strategy at: https://www.canada.ca/content/dam/nfb-onf/documents/pdfs/strategie-developpement-durable/NFB_2023-2027_DSOS.pdf