



# CORRECTIONAL SERVICE CANADA

CHANGING LIVES. PROTECTING CANADIANS.



## Correctional Service of Canada Fighting Against Forced Labour and Child Labour in *Supply Chains Act*

**Reporting Period: April 1, 2023, to March 31, 2024**

## Overview

The Fighting Against Forced Labour and Child Labour in *Supply Chains Act* (Act) came into force on January 1, 2024. The Act stipulates that any government institution producing, purchasing, or distributing goods in Canada or elsewhere under their own procurement authority must, on or before May 31 of each year, submit a report to the Minister of Public Safety.

This report details the steps that the Correctional Service of Canada (CSC) has taken between April 1, 2023, and March 31, 2024, to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods produced, purchased, and distributed by CSC.

### CSC structure

CSC is the federal government agency responsible for administering court-imposed sentences of a term of two years or more. We manage various security level institutions and supervise offenders under conditional release in the community. As well, we provide for the safety, security, and humane care of inmates, including day-to-day needs of inmates such as food, clothing, accommodation, mental health services, and physical health care.

CSC has over 18,000 employees, with 77% working in institutions, responsible for approximately 23,000 offenders. Around 14,000 offenders reside in institutions while the remaining are under supervision in communities across Canada.

CSC's mandate is to contribute to public safety by actively encouraging and assisting offenders to become law-abiding citizens, while exercising reasonable, safe, secure, and humane control. To realize our mandate, we rely on a strong network of partners and stakeholders, including other federal government departments, non-governmental organizations, provincial and territorial governments, community-based service providers, and thousands of volunteers.

CORCAN is a special operating agency within CSC and is responsible for the Employment and Employability Program for federal offenders during their incarceration and while under community supervision. As part of this program, CORCAN operates work sites offering on the job and vocational training in federal correctional institutions and community locations. Offender work sites operate in 34 CSC institutions across Canada and five community-based operations, covering five business lines:

- manufacturing
- textiles
- construction
- services
- agriculture

The Treasury Board of Canada granted CORCAN Special Supplier Status. This allows federal departments and agencies to acquire from CORCAN through a Stores Transfer Order. Goods and services produced in CORCAN operations generate revenues to support and reinvest in the program. CSC has governance processes, laws, and legislations in place for a proper labour force and federal offenders are remunerated. CORCAN contract requirements

that support producing goods (for example, purchase of textiles) are processed under CSC's procurement authority. Therefore for the purpose of this report, CSC represents CORCAN. This includes procurement activities and procurement data as CORCAN procurement data is combined with CSC's.

## Procurement activities<sup>1</sup>

CSC purchases and produces a wide-variety of goods to meet and support operational demands, programs, and legislative requirements for various sites across Canada, including offices and institutions.

For the previous financial year, CSC issued approximately 5,700 contracts with a total value of \$1.9 billion, of which 13% of those contracts were for goods with a total approximate value of \$250 million. 96% of those goods were purchased through Canadian companies and 4% through foreign companies.

The following are the top 10 categories of goods purchased at CSC in the previous financial year:

1. Drugs and biologicals
2. Office furniture
3. Vehicles
4. Fuel oils
5. Construction materials
6. Security and safety equipment and supplies
7. Meat, poultry, and fish
8. Cabinets, lockers, bins, and shelving
9. Textile fabrics
10. Information technology software

At CSC, approximately 79% of the annual value of our purchases for goods were made through the use of Public Services and Procurement Canada (PSPC) 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 Standing Offers and Supply Arrangements for goods that have been issued, amended, or refreshed include anti-forced labour clauses.

As such, all of our contracts for goods resulting from the use of these tools include clauses relating to forced labour which set out, among other things, human rights and labour rights requirements. These clauses can be found in the policy notification 150 – Anti-forced labour requirements.

- [Policy notification 150 – Anti-forced labour requirements](#)

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<sup>1</sup> Procurement data in this report is based on 2023-2024 procurement transactions over \$10,000 in CSC's financial system.

More detail on CSC's planned procurement activities by financial year is available in our National Procurement Plans.

- [National procurement plans](#)

## Prevention and reduction of risk

CSC has taken steps in the 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 in Canada or elsewhere by CSC or of goods imported into Canada.

CSC has integrated PSPC's updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement in our purchasing activities.

In addition, to prevent and reduce the risk of forced labour or child labour in our procurements, CSC has used the following list of PSPC's tools:

- Standing Offers
- Supply Arrangements
- Anti-forced labour contract clauses

Using these PSPC tools reduce the number of low-dollar value transactions to suppliers with unknown labour practices.

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

During the previous financial year we purchased goods and services under our own procurement authority, such as in the following areas:

- Health care services and equipment
- Professional services
- Translation services
- Food and related equipment
- Security and safety equipment
- Cleaning services and equipment

As well, in the previous financial year, the CSC Senior Designated Official for the management of procurement and materiel notified CSC senior management about the new reporting requirement and requirements to prevent and reduce the risk of forced labour or child labour in our supply chains.

During this financial year, CSC developed an action plan and will implement measures to address forced labour and/or child labour in our supply chains.

## Policies and due diligence processes

CSC currently has policies and due diligence processes in place related to forced labour and/or child labour. CSC is undertaking actions that address broader issues such as human rights abuses in our supply chains.

Effective April 1, 2023, amendments to the Treasury Board Directive on the Management of Procurement required 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, CSC has integrated the Code into our procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that our organization has awarded include 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 and applies to all imports, regardless of origin.

## Assessment and management of risk

CSC has started the process of identifying risks, however there are still gaps in our assessments regarding 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. To support the identification of risks, CSC has developed an action plan and will implement measures to assess and manage risk regarding our activities and supply chains.

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.

We have familiarized ourselves with information on the risk assessment provided by PSPC, and are monitoring related follow-up actions, including the development of a Policy on Ethical Procurement.

## Measures taken to remediate forced labour or child labour

In the previous financial year, CSC has not taken any measures to remediate any forced labour or child labour in our activities and supply chains. However, to support this area, CSC has developed an action plan and will implement actions to ensure required measures are in place to support remediation, if required.

## Measures taken to remediate the loss of income to the most vulnerable families

During the previous financial year, CSC did not identify any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains. However CSC has developed an action plan where this will be one potential option once the next step of developing measures to remediate forced labour or child labour in our activities and supply chains are identified and are in place.

## Training

During the previous financial year, CSC did not provide training to employees on forced labour and/or child labour.

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

## Assessment of effectiveness

In the previous financial year, CSC did not have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities. However to support this area, CSC has developed an action plan and will implement actions to evaluate related policies and procedures, and revise as required.

## Contact Information

All requests for information related to this report can be addressed to:

Senior Director, Contracting and Materiel Services  
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