



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

For the Financial Reporting Period: April 1, 2024, to March 31, 2025

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General Overview

This annual report is prepared in accordance with the requirements of the [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#). The Act mandates that government institutions provide an annual account of measures taken to prevent or mitigate the risks of forced labour and child labour in the production, procurement, and distribution of goods. This report also covers purchases facilitated by common procurement service providers on behalf of the Canadian Institutes of Health Research (CIHR).

As defined under the Act, the CIHR is a Federal Crown Corporation based in Ottawa, Ontario, committed to the responsible procurement of goods to support health research activities across Canada. This commitment reflects CIHR's alignment with broader human rights principles and international sustainable development goals.

Executive Summary

The CIHR is dedicated to maintaining ethical procurement practices and ensuring that its supply chains remain free from forced labour and child labour. This commitment aligns with the Government of Canada's environmental, social, and governance objectives and supports the United Nations Sustainable Development Goal 8: promoting inclusive economic growth and decent work for all.

This report highlights:

- The CIHR's mandate, activities, and supply chains.
- Policies and due diligence processes addressing forced labour and child labour.
- Identification and mitigation of risks within supply chains.
- Actions taken to address human rights violations.
- Training initiatives to enhance staff awareness and capacity.
- An evaluation of the CIHR's effectiveness in reducing the risk of labour exploitation.

Mandate, Activities and Supply Chains

Mandate

Established in 2000, CIHR serves as the Government of Canada's primary health research investment



agency. Its mandate is to advance scientific excellence by generating new knowledge and translating it into improved health outcomes, enhanced health services, and a stronger Canadian healthcare system.

Activities

The CIHR fulfills its mandate by:

- Funding research through investigator-initiated and priority-driven programs.
- Building research capacity by supporting underrepresented fields and training future health researchers.
- Facilitating knowledge translation to transform research into policies, practices, and products that enhance health outcomes.

Supply Chains

The CIHR's supply chains involve the procurement of goods and services both domestically and internationally. During the reporting period, the CIHR's annual contracted value for goods totalled approximately \$1.626 million, primarily for software and hardware. These goods were mostly procured through mechanisms established by Public Services and Procurement Canada (PSPC) and Shared Services Canada (SSC).

Key services procured include:

- Software-as-a-Service (SaaS) and cloud storage solutions.
- Professional services acquired through PSPC tools.
- Language training.
- Conference room rentals and catering services.

Policies and Due Diligence Processes

Code of Conduct for Procurement

The CIHR adheres to the [Code of Conduct for Procurement](#) published by PSPC. This code outlines expectations for vendors and subcontractors, ensuring compliance with Canada's prohibition on the use of forced and child labour. The code is embedded in all bid solicitations and resulting contracts. Bidders certify their compliance with the code by responding to solicitations. Non-compliance may lead to bid rejection or contract termination.

Risk Assessment

The CIHR acknowledges that some components of its supply chain may present risks of forced labour or child labour. To assess these risks, CIHR analyzed contracts over the past two fiscal years, identifying those associated with high-risk goods and services.



High-Risk Categories

For this assessment, CIHR leveraged a risk analysis conducted by the Rights Lab at the University of Nottingham, a world leader in modern slavery research. Performed on behalf of Public Services and Procurement Canada, the analysis identified the top-10 Goods and Services Identification Number (GSIN) codes carrying the highest risk of forced and child labour within the Government of Canada's supply chains. These GSIN codes are ranked by risk levels:

GOODS AND SERVICES IDENTIFICATION NUMBER (GSIN) CODES CARRYING THE HIGHEST RISK OF FORCED LABOUR AND CHILD LABOUR

Risk rank	GSIN code	GSIN code description
1	40	Rope, cable, chain, and fittings
2	54	Prefabricated structures and scaffolding
3	75	Office supplies and devices
4	62	Lighting fixtures and lamps
5	83	Textiles, leather, furs, apparel and shoe findings, tents, and flags
6	78	Recreational and athletic equipment
7	84	Clothing, individual equipment, and insignia
8	63	Alarm, signal, and security detection systems
9	59	Electrical and electronic equipment components
10	35	Service and trade equipment

Findings

The CIHR found that procurement in high-risk categories is minimal, with approximately \$3,000 spent on office supplies and devices (GSIN 75). However, when accounting for higher-level assemblies that include components from high-risk categories—such as electronic equipment (GSIN 59)—the total value rises to \$354,000 in hardware contracts awarded during the last fiscal year.

Future Risk Mitigation

The CIHR plans to strengthen its risk assessment process by collaborating with federal partners and developing targeted risk mitigation strategies for high-risk supply chains.

Actions Taken in the Reporting Period

1. **Code of Conduct Adoption:** Implemented the [Code of Conduct for Procurement](#), requiring all vendors and subcontractors to comply with ethical standards.
2. **Risk Assessment:** Analyzed supplier contracts to identify high-risk areas.



3. **Training Programs Delivered:** The Procurement and Contracting Unit attended mandatory training on identifying red flags of forced labour and offered training on forced and child labour to the organization.
4. **Procedures Updates:** Updated procurement policies to include risk identification and mitigation measures.

Pending Actions

1. **Enhanced Procurement Framework:** Incorporating human rights considerations to minimize supply chain risks.
2. **Supplier Communication Tools:** Developing a reporting tool for suppliers to demonstrate compliance.
 - **Require Supplier Declarations:** Mandate suppliers to provide annual declarations affirming compliance with forced and child labour laws.
3. **Training Expansion:** Exploring new training opportunities to equip staff with the knowledge to address labour exploitation.
 - **Mandatory Training for Procurement Staff:** Expand training to include all procurement and contracting officers to recognize signs of forced labour and child labour.
 - **Training for Business Owners and Managers:** Equip internal business owners and managers with the knowledge to assess supply chain risks.
4. **Collaborate with Partners and Experts:**
 - **Work with Peer Institutions:** Collaborate with other federal agencies to share best practices and develop joint solutions for reducing supply chain risks.
 - **Leverage Industry Certifications:** Encourage suppliers to obtain certifications such as Fair Trade, SA8000, or other recognized labour standards.

Remediation Measures

Labour Violations

During the previous fiscal year, no known instances of forced or child labour were identified within the CIHR's supply chains. Should any such instances arise, the CIHR is prepared to take appropriate remedial actions, including bid rejection or contract termination if suppliers fail to comply with the Code of Conduct for Procurement.

Loss of Income for Vulnerable Families

The CIHR did not encounter any cases where eliminating forced or child labour resulted in income loss for vulnerable families. However, the CIHR remains committed to addressing and remediating any such impacts in the future.



Training Initiatives

CIHR's Procurement and Contracting Unit attended key training sessions, including:

- **"Supply Chains Act" Training** provided by Public Safety Canada (April 2, 2024).
- **"Risks of Forced Labour in Your Supply Chain: Analysis and Prioritization" Webinar** by the Responsible Procurement Organizations Network (ECPAR) (July 11, 2024).

Ongoing efforts are underway to expand training opportunities and raise awareness across the organization.

Effectiveness Assessment

While this reporting requirement is still relatively new, CIHR sees an opportunity to enhance its approach by developing formal procedures to evaluate the effectiveness of its measures to prevent forced and child labour. Looking ahead, CIHR is committed to implementing robust monitoring, evaluation, and feedback mechanisms to strengthen its efforts such as:

- Supplier performance reviews.
- Stakeholder surveys.
- Collaboration with advocacy groups.

Initial assessments suggest the need for expanded data collection to refine risk mitigation strategies.

Conclusion

The CIHR remains committed to ethical procurement practices and continues to work toward preventing forced and child labour in its supply chains. The measures implemented during this reporting period lay a strong foundation for continued progress and collaboration with partners to uphold human rights standards.