

## CITY OF EDMONTON SUBMISSION: FEDERAL SUPPLY CHAINS ACT

### Recommendation

That Executive Committee recommend to City Council:

That Attachment 1 of the May 14, 2025, Financial and Corporate Services report FCS02948, be approved for submission to the Minister of Public Safety Canada.

|  |   |  |                                   |
|--|---|--|-----------------------------------|
| Requested Action   |   | Decision required                                    |                                   |
| ConnectEdmonton's Guiding Principle                                |   | ConnectEdmonton Strategic Goals                      |                                   |
| CONNECTED<br>This unifies our work to achieve our strategic goals. |   | N/A  |                                   |
| City Plan Values   | N/A   |  |                                   |
| City Plan<br>Big City Move(s)                                      | N/A   | Relationship to<br>Council's Strategic<br>Priorities | Conditions for service<br>success |
| Corporate Business<br>Plan   | Managing the corporation  |  |                                   |
| Council Policy, Program<br>or Project<br>Relationships             | <ul style="list-style-type: none"><li>February 13, 2025, Financial Corporate Service report FCS02488, Sustainable Procurement Policy - Subcontractor Compliance</li></ul> |  |                                   |
| Related Council<br>Discussions                                     | <ul style="list-style-type: none"><li>N/A</li></ul>   |  |                                   |

### Executive Summary

- The federal *Fighting Against Forced Labour and Child Labour in Supply Chains Act*<sup>1</sup> (the Act) came into effect on January 1, 2024. It mandates federal government institutions and entities, including large municipalities such as the City of Edmonton, to report annually to the Minister

<sup>1</sup> <https://laws.justice.gc.ca/eng/acts/F-10.6/>

## CITY OF EDMONTON SUBMISSION: FEDERAL SUPPLY CHAINS ACT

of Public Safety Canada on their efforts to eliminate forced labour and child labour in supply chains. The City's report for the Government of Canada is attached.

- Non-compliance with the Act, including failure to submit a report by May 31, 2025, may lead to fines of up to \$250,000.
- Council Policy C556C, Sustainable Procurement, and the Supplier Code of Conduct outline ethical business practices, environmental sustainability and social value considerations.
- The City integrates clauses from the Supplier Code of Conduct into its standard contract templates across all projects, including construction.
- The City's Supplier Performance Management program establishes processes to address concerns with supplier performance and unethical practices related to their supply of goods and work with the City.
- Administration recognizes the interconnectedness of the global economy and the responsibility the City of Edmonton bears in ensuring that purchased products are free from child and forced labour.

## REPORT

The federal *Fighting Against Forced Labour and Child Labour in Supply Chains Act* took effect on January 1, 2024. The Act requires government institutions and other entities that meet certain criteria to provide an annual report to the Minister of Public Safety Canada on their actions to eliminate the use of forced labour and child labour in their supply chains. The federal government has clarified that the reporting requirement applies to municipal governments meeting the Act's criteria.

Administration has prepared the City's first report to submit to the Minister of Public Safety Canada on or before May 31, 2025, covering the City of Edmonton and Edmonton Police Service's supply chain activities for 2024. This report was approved by the Edmonton Police Commission on April 17, 2025, and, in accordance with the Act, must be approved by City Council, the City's governing body.

Council Policy C556C, Sustainable Procurement, requires suppliers and subcontractors to meet ethical business practice standards. This policy also addresses environmental sustainability, Indigenous procurement and the inclusion of social value consideration.

The City's Supplier Code of Conduct sets requirements for the provision of safe and healthy workplaces for those involved in manufacturing, supplying goods and providing various services for the City. These conditions align with internationally recognized standards outlined by the International Labour Organization. The Supplier Code of Conduct reinforces the City's commitment to upholding ethical business practices and maintaining its integrity as a public institution by contracting only with suppliers that adhere to these principles. All City standard contracts include clauses requiring compliance to the Supplier Code of Conduct.

City standard contracts also include a general requirement for suppliers to comply with all applicable laws. This requirement would, for example, require that City suppliers working in Canada perform due diligence to ensure that their workers are authorized to work in Canada. The

## CITY OF EDMONTON SUBMISSION: FEDERAL SUPPLY CHAINS ACT

City's Supplier Performance Management program ensures suppliers deliver on their contractual obligations while promoting accountability, transparency and continuous improvement. By systematically tracking supplier performance, the City can proactively identify risks, address issues and make data-informed decisions about future contracting strategies. This program helps ensure compliance with the City's obligations under the Act and supports the City's commitment to ethical sourcing by helping monitor compliance with social and sustainability standards.

### Legal Implications

If the City of Edmonton does not submit a report compliant with the Act on or before May 31, 2025, the City will be in breach of the Act. Failure to comply with this requirement is an offence punishable on summary conviction and could result in a fine of up to \$250,000. It is also an offence to knowingly provide false or misleading information.

If the City commits an offence, the Act allows for any Director, officer or agent of the City who directed, authorized, assented to, acquiesced in or participated in the offence's commission to be found guilty of the offence and be liable for the \$250,000 fine. It is possible that the Mayor or Councillors could be found to be directors in this context; however, it is unclear at present how this might be affected by the protection from liability for Councillors found in section 535 of the *Municipal Government Act*.

### Community Insight

Public engagement and/or research were not completed for this report as it is related to internal administrative functions. Administration continues to work closely with the supplier community to improve the City's procurement, contract management and supply chain management practices.

### GBA+

The introduction of the Act marks a pivotal moment in Canada's commitment to ethical sourcing and human rights. Administration recognizes the interconnectedness of the global economy and the responsibility the City of Edmonton bears in ensuring that purchased products are free from child and forced labour.

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* plays a role in protecting individuals from exploitation and coercion in the workforce. The Act strives to ensure that workers are not subjected to unfair treatment, which disproportionately affects marginalized and vulnerable groups. This legal framework provides transparency around forced labour concepts, promoting the right to fair and just working conditions. By bolstering freedom of choice in employment, the Act promotes equality of opportunity, empowering individuals to work in environments where their rights are protected.

### Environment and Climate Review

This report was reviewed for environment and climate risks. Based on the review completed, no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

**Attachment**

1. City of Edmonton Report 2024: Fighting Against Forced Labour and Child Labour in Supply Chains Act