



FIRST NATIONS TAX COMMISSION
COMMISSION DE LA FISCALITÉ DES PREMIÈRES NATIONS

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT (S.C. 2023, C. 9) (the “ACT”) ANNUAL REPORT

Annual Report for the Financial Year Ending 31 March 2024

This report is prepared pursuant to s. 6 of the Act, and outlines the approach and initiatives taken by the First Nations Tax Commission (the “FNTC”, or the “Commission”) to identify and address risks associated with forced labour and child labour in the supply chains supporting the FNTC’s operations during the financial year commencing 1 April, 2023 and ending on 31 March, 2024 (“FY24”).

Structure and Mandate

The First Nations Tax Commission is established under the *First Nations Fiscal Management Act* to provide for the regulation of First Nation property taxation and other local revenues. The Commission maintains offices on the lands of the Tk’emlúps te Secwepemc and in the National Capital Region. It consists of 10 Commissioners, including the Chief Commissioner and the Deputy Chief Commissioner. Through research and innovation, among other initiatives, the Commission advances its mandate to support the development of standardized, transparent, and accountable First Nations local revenue systems by providing a comprehensive range of functions and services benefiting First Nations and taxpayers alike. 35 dedicated staff members support the work of the Commission. The Commission’s annual expenditure on procurement is very small in proportion to its total budget. More information about the Commission can be found at: <https://fntc.ca/>.

Supply Chains

The First Nations Tax Commission is keenly aware of the implications of child labour and forced labour and is committed to supporting policies and programs to end the exploitation of children and the trafficking, physical punishment, abuse and involuntary servitude of workers.

To support its mandate, the FNTC engages with supply chains to provide office and administrative support functions. The FNTC’s procurement includes office electronics, office and promotional supplies, information technology support, outside contracting, office rentals, office related utilities, food and beverages, and business travel.



Supply Chains - Risks

Areas of risk in the FNTC's supply chain engagement may include procurement of office electronics, office supplies and promotional items, and food and beverage supplies. Further diligence is planned during FY24 to ascertain high-risk origin/source entities and supply chain inputs utilized by FNTC's suppliers. At time of writing, the Commission is aware that supply chain risks may exist with respect to jurisdictions from which its office electronics are sourced. However, no supplier/supply chain has been identified as specifically including forced labour or child labour inputs during the course of the Commission's inquiries. Excerpts from statements published by the Commission's primary office electronics suppliers say the following:

First Supplier: Our approach includes:

Aspiring to have all workers in our supply chain be treated with dignity and respect.

Human Rights, Environmental Impacts, Integrity

We expect our suppliers to meet the highest standards of responsible and ethical conduct regarding how they treat their workers and the environment, and how they do business. This expectation is supported by contractual requirements. Our contracts stipulate supplier compliance with our comprehensive Supplier Code of Conduct.

Second Supplier: We partner with more than 140 factories, mainly in China, to produce our private label products. We work with these suppliers on the design, production and testing of these products – and partner with them to ensure they meet our expectations for safe workplaces where workers are treated fairly.

Before working with new suppliers, we provide an in-depth training on our code and program and conduct a third-party audit of their facilities, which includes environmental and human rights screening criteria.

Policies and Risk Management

The FNTC is developing a policy-based procurement process to help identify, mitigate, and where possible eliminate forced labour and child labour inputs from its supply chains. The process incorporates an internal audit of procurement practices supported by a questionnaire and appropriate follow-up with the FNTC's suppliers. The Commission's staff making contracting or purchasing decisions will receive issue-related training. Also incorporated in the process is a review of statements concerning modern-day slavery practices from suppliers in the FNTC's supply chains, to determine downstream corporate policies, codes of conduct, commitments to non-discrimination and human rights and sustainability policies and commitments.

The FNTC will also monitor its suppliers on a regular basis for forced labour and child labour identification and forced labour and/or child labour prohibition policies and procedures.



Once the efficacy of the process is determined, the FNTC will formalize policy to guide ongoing efforts at mitigating and removing the risk of forced labour and child labour inputs from its supply chains. Internal policy development will be supported by administrative work plans through the balance of FY24 and in FY25.

Current FNTC policy incorporates guiding principles for FNTC's employees, including the development and maintenance of an environment of mutual respect and dignity, the fair and equitable treatment of staff members, the utilization of the potential of each staff person and the recognition of individual initiatives, efforts and achievements, as well as the development and growth of a strong, stable, sustainable and efficient government institution. Internal policy also supports the establishment and maintenance of professional and ethical standards and services, administration, and performance of the Commission's mandate. Senior administrative staff at FNTC seek to model and mentor the behaviour called for in FNTC's guiding principles for employees.

Where the FNTC's ongoing supply chains-related diligence/investigation discloses supply chain inputs implicated in forced labour or child labour, or both, the FNTC will implement mitigation strategies in line with the Act, internal policy, and the Commission's Risk Mitigation Framework.

Training and Remediation

At time of reporting, the Commission's inquiries into its supply chains have not identified risks of forced labour or child labour in FNTC's procurement procedures or supply chains. However, the Commission is aware that risks may exist in connection with jurisdictions from which its office electronics and perhaps some beverages are sourced. The Commission will implement internal policy to provide guidance and enhanced awareness to its staff in connection with modern-day slavery-related issues. Staff education on the issue will be part of the Commission's staff training process. The FNTC believes that heightened awareness and familiarity with the issue will help reduce the risk of forced labour or child labour inputs in FNTC's procurement practices.



Efficacy

The FNTC's assessment of its effectiveness in ensuring that forced labour and child labour are not present in its operations or its supply chains is ongoing. Among other sources, and to help frame the issue, the FNTC has reviewed and considered publications of the International Labour Organization, WalkFree.org (Global Slavery Index) and the US-based Bureau of International Labor Affairs, among others.

This report is provided pursuant to section 6 of the Act for the reporting year set out above.

C.T. (Manny) Jules, Chief Commissioner and Chief Executive Officer

First Nations Tax Commission

Tk'emlúps te Secwepemc /Kamloops, British Columbia