## 2023 Report on Forced and Child Labour in Supply Chains



Helping in Jesus' Name®

### Introductory Message from Our Executive Director



Samaritan's Purse Canada is an international Christian relief organization that provides immediate response to meet the physical and spiritual needs of individuals in crisis situations. We serve in difficult places around the world to provide critical relief to victims of war, disease, disaster, poverty, famine, and persecution. Out of love, and following the example of the Good Samaritan, we reach out to those in need, regardless of race, religion, or politics. In all our work, we seek to help hurting people in Jesus' Name, reminding them there is hope while striving to ensure we do no harm.

We are often privileged to partner with local churches and other organizations in fulfilling our mission.

Whether carrying out our charitable activities directly or with the assistance of trusted partners, we have established policies, training, and practices, which aim to protect vulnerable individuals wherever we serve. This due diligence is also being extended into our supply chain relationships to prevent and mitigate risks of forced and child labour.

As Samaritan's Purse Canada carries out its mission, we are committed to protecting vulnerable individuals and communities. We understand this requires ongoing effort; therefore, we continue improving our practices to enable us to sustain this commitment.

Fred Weiss

Executive Director The Samaritan's Purse – Canada



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### Organizational Overview

This Report has been prepared by The Samaritan's Purse – Canada (BN 11913 8527), pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the "**Act**") for the financial reporting period of January 1, 2023 to December 31, 2023.

The Samaritan's Purse – Canada (the "**Organization**") is a federally incorporated not-for-profit corporation without share capital and registered Canadian charity (119138527 RR 0001), headquartered in Calgary, Alberta, Canada.

### **Our Mission**

Samaritan's Purse is a nondenominational evangelical Christian organization providing spiritual and physical aid to hurting people around the world. Since 1970, Samaritan's Purse has helped meet needs of people who are victims of war, poverty, natural disasters, disease, and famine with the purpose of sharing God's love through His Son, Jesus Christ. The Organization serves the Church worldwide to promote the Gospel of the Lord Jesus Christ.

#### OVERVIEW OF 2023 CHARITABLE ACTIVITIES

Samaritan's Purse Canada has been carrying out essential relief and development work in Jesus' Name in Canada and around the world since 1970. The continued faithfulness of Samaritan's Purse Canada donors enables our dedicated volunteers, local partners, and staff to be modern-day Good Samaritans, at home and abroad, who meet the needs of the most vulnerable in the face of crises and systemic adversity—attesting to the transformative reality of the Gospel of Jesus Christ for all.





### **Global Relief**

Samaritan's Purse Canada responds to devastating events around the world, including wars, hurricanes, earthquakes, and infectious diseases. During our 2023 deployment to earthquakes in Turkey, our teams operated an Emergency Field Hospital and distributed tents, mattresses, blankets, food, and other relief items.

We also continued to offer care for Ukrainian refugees as we worked with an extensive church and denominational partner network in Europe. Our staff and partners helped integrate Ukrainian refugees into local communities through children's and youth activities, women's support groups, trauma care, and language training. By meeting physical needs and providing community engagement and transitional services, Samaritan's Purse Canada is significantly reducing the risk of refugees being entrapped in situations of forced labour, including prostitution.

Protection projects continue to reach individuals and families at high risk of exploitation. This wide range of programs supports vulnerable women and children, as well as refugee families, by providing transitional housing support, safe migration training, trafficking awareness and prevention, gender-based violence prevention and response, and psychosocial support services. Additional programming offers rehabilitation support such as safe housing, education, and vocational training to women escaping prostitution.

Our agricultural and emergency food programs address the food insecurity facing countless communities worldwide. Food insecurity stems from factors that include chronic poverty and poor agricultural practices. Increasing drought, disaster, and war also lead to unprecedented levels of need. Samaritan's Purse Canada continues to provide large shipments of dehydrated food aid—donated by Canadian producers—as well as livestock, seeds, supplies, and training in sustainable agricultural practices.

Samaritan's Purse Canada works internationally to provide clean water and hygiene resources to communities facing devastating consequences from waterborne diseases. Partnerships with local Christian organizations create access to safe water through household, school, and community water filters and sanitation programming and training.

#### OVERVIEW OF 2023 CHARITABLE ACTIVITIES

Through our Operation Christmas Child project, Samaritan's Purse Canada delivers gift-filled shoeboxes and shares the love of Jesus Christ with children in need around the world. We work with local churches and community leaders to reach boys and girls living in desperate and violent circumstances. Notably, we sent shoebox gifts packed by Canadians to bless children traumatized by war in Ukraine. Shoebox gifts often include school supplies, which, in some countries, enable children to attend school, lowering the risk of labour exploitation. Reports from communities and church partners consistently demonstrate that each gift-filled shoebox brings hope and joy to children, their families, and the entire community.



### **Domestic Relief**

When natural disasters strike our nation, Samaritan's Purse Canada responds by mobilizing volunteers and specialized equipment. We deploy Disaster Relief Unit tractor-trailers to equip volunteer teams to assist families in need.

In 2023, Samaritan's Purse Canada responded in the wake of devastating British Columbia wildfires. In addition to helping homeowners clean up properties, we answered a request from government officials to set up and operate overnight evacuation facilities for residents of Kelowna and Kamloops.

Our teams also helped residents of Ottawa, Ontario, following flash floods, and families in Fox Lake, Alberta, after a wildfire burned hundreds of buildings in the northern community. We also continued long-term recovery work to support Canadians in areas hit by natural disasters in 2021 and 2022.

### Summary

လို WASH	<b>137,597</b> People provided with access to potable water	<b>38,120</b> People trained on water, sanitation and hygiene	<b>12,333</b> Household filters installed	<b>38,617</b> People provided with WASH non- food items
EMERGENCY FOOD	<b>2,364,790</b> Servings of food provided	<b>149,474</b> People provided with food commodities	<b>348</b> Metric tons of food commodities distributed	<b>50,066</b> People provided with emergency food parcels
FOOD SECURITY & LIVELIHOODS	<b>9,094</b> Animals distributed	<b>22,646</b> People trained on improved agriculture practices	<b>7,243</b> People trained on livelihoods topics	<b>3,397</b> People provided with animals
PROTECTION	<b>20,715</b> People provided with psychosocial support services	<b>3,116</b> People trained on safe migration and trafficking awareness and prevention	en People ed provided with onal safe spaces	<b>1,313</b> People trained on gender-based violence prevention and response
The second se	<b>269</b> Volunteers	<b>10,080</b> Volunteer hours	<b>400</b> Beds for wildfire evacuees	<b>85</b> Disaster response vehicles deployed
OPERATION CHRISTMAS CHILD	<b>425,209</b> Shoeboxes packed	<b>9</b> Receiving countries		<b>41</b> Containers shipped

#### GOVERNANCE AND MANAGEMENT

### **Board and Committees**

As a federal not-for-profit corporation, the Organization is governed by its Board, delegating management and operations to the Organization's management. The following Board committees provide oversight of management and the charitable undertakings of the Organization:

- Ministry Committee
- Audit Committee
- Finance Committee

### **Governance Observations**

**The Board** and its committees provide leadership and strategic guidance to ensure that the Organization operates in a manner that aligns with its governing documents. The Organization's Mission and Statement of Faith<sup>1</sup> affirm the worth of each individual, establishing the foundation for due diligence in assessing the risk of forced/child labour.

**The Ministry Committee** reviews and approves all substantial ministry activity expenditures of charitable resources. Comprehensive proposals for Activities are prepared by the Organization's management and submitted for review and approval by the Ministry Committee. Submitted proposals must align with the Organization's charitable purpose, Policies/Procedures, and annual budget.

The below Recommendations for Prevention and Mitigation in this Report include updates to the Organization's Policies/Procedures designed to improve the assessment of supply chain elements in Activity proposals and outline related mitigation strategies (if any).

The Audit Committee reviews and approves the Organization's annual risk register.

The Organization's management recommends the risk register be expanded to include the Organization's annual forced/child labour risk assessment to improve operational accountability.

### Management

The Organization's management is responsible for implementing organizational policies, developing and maintaining effective and efficient operational processes, and is actively engaged in the assessment of Activity proposals and general Organizational operations. Operational considerations include the assessment of beneficiary communities and the potential for the presence of forced/child labour within them.

Improvements to Policies/Procedures are expected to result in more consistent evaluation of possible risks of forced/child labour in key aspects of the Organization's operations, including specific supply chain considerations in Activity proposals and general Organizational acquisitions, triggering consideration and implementation of mitigation strategies (if any).

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Samaritan's Purse Canada, "Our Statement of Faith," (2019), online: <u>https://www.samaritanspurse.ca/our-statement-of-faith/? ga=2.95859100.1290068127.1716561956-1754659160.1712092587</u>

### Overview

- 1. Definitions
- 2. 2023 Methodology
- 3. Supply Chain Review and Potential Risks
- 4. Policy/Procedure Assessment and Recommendations
- 5. Risk Monitoring System

### 1. Definitions

Activities: Inclusive of all undertakings of the Organization (via both Personnel and Partners), in accordance with its charitable purpose.

At-Risk Jurisdiction(s): Jurisdictions identified in the Global Slavery Index with a vulnerability score equal to or greater than the average.<sup>2</sup>

**Partners:** Agents and intermediaries (organizations and/or individuals) utilized by the Organization to carry out charitable Activities on its behalf.

Personnel: The Organization's employees, volunteers, and independent contractors.

**Policies/Procedures:** The body of written documentation, corporately and department-specific, prescribing the Organization's expectations of Personnel and processes governing conduct of its Activities.

Service Providers: Individuals or entities retained by the Organization to provide services, or provide supplies, that facilitate the carrying out of charitable Activities.

### 2. 2023 Methodology

The Organization initiated work toward the Report in 2023, consulting with counsel to clarify the requirements under the Act. Internal assessment documentation based on Public Safety Canada guidance was produced to facilitate the Organization's Evaluation and Risk Identification exercise, outlined as follows:

- 1. Summary of supply chain exposures across the Organization and compilation of findings, including risk observations.
- 2. Review of policies, procedures, and training to determine overall risk mitigation effectiveness and recommendations.
- 3. Ongoing Monitoring.

Note to reader: The prospective actions in each Section related to the Organization's improvement in prevention and mitigation are described as *"in process"* at the time this Report is published.<sup>3</sup>

Walk Free, "Global Slavery Index," (2023), online: <u>https://www.walkfree.org/global-slavery-index/</u>
 The Organization's 2024 Report will convey the status of proposed actions.

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### 3. Supply Chain Review and Potential Risks

The Organization utilized the due diligence approach prescribed in Principle 17 of the United Nations' *Guiding Principles on Business and Human Rights*,<sup>4</sup> together with the Public Safety Canada guidance, examining its Activities to detect:

- Actual indicators of forced/child labour.
- Potential (reasonably foreseeable) risks.

#### Summary of Findings

The Organization has not detected actual indications of forced/child labour in its supply chains, nor adverse impacts of its Activities. The Organization has confidence in this assessment owing to the supervision and reporting required for charitable compliance. As such, no remediation measures have been proposed in this Report.<sup>5</sup>

Potential (reasonably foreseeable) risks have been identified in the areas of procurement (domestic and international), use of service providers, and supply chain elements of certain international Activities. As such, prevention and mitigation measures have been recommended for implementation by the Organization.<sup>6</sup>

#### **Primary Supply Chain Elements**

Domestically and internationally, the Organization's supply chain activity is primarily limited to procurement of equipment and supplies, distribution of charitable goods (including food), and contracting with service providers.

In the course of Activities within at-risk jurisdictions, the Organization's Activities directly and indirectly seek to rectify the root causes of forced/child labour. Supply chain elements such as agriculture, small-scale assembly, construction, supply procurement, and manufacturing are present in these Activities.

#### **Findings**

The outcomes of the Organization's supply chain review and risk identification are summarized in two categories: Favorable Findings and Potential Risks.

#### Favorable Findings

The following affirmative observations can be made concerning the Organization's prevention and mitigation of risk throughout its Activities during the reporting period:

- Key suppliers and service providers actively adhere to industry best practices and have adopted policies that mitigate the overall risk of forced/child labour in their respective supply chains.
- The Organization's governance structure and operational processes provide comprehensive oversight of Activities, requiring extensive advance consideration of overall impact and ongoing monitoring throughout the lifecycle, capturing beneficiary and impact data for validation purposes.
- International Activities with modest agricultural, growing, assembly, construction, and manufacturing elements
  are carefully controlled, subject to frequent site visits by Personnel, and are operated by well-resourced and
  trained Partners who fairly remunerate adult employees, heavily mitigating the potential risk of forced/child labour
  in beneficiary communities.
- 4. Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework 2011, UNHR, UN Doc HR/PUB/11/04 (2011).
- Guiding Principles on Business and Human Rights defines "remediation" as processes taken to remedy actual (realized) risk and adverse impacts.
   Principle 17 of Guiding Principles on Business and Human Rights prescribes that potential impacts of the Organization's Activities are to be addressed by suitable prevention or mitigation measures.

- Internationally, Activities with distribution components are carried out through trusted Partners under written agreements
  as an integral component of Activities, ensuring that charitable resources are distributed responsibly and not
  misappropriated for exploitative purposes.
- When carrying out targeted Activities to address global food insecurity, the Organization primarily sources from Canadian suppliers with complete supply chain transparency.
- The Organization's Personnel demonstrate a keen awareness of forced/child labour considerations in the Activities carried out in at-risk jurisdictions, owing to extensive experience in international development and subject matter expertise gained through continuing professional development and active participation/membership in charitable sector member associations.
- The Organization's human trafficking prevention Activities are two-pronged: (i) raising awareness about trafficking and safe migration and empowering families and individuals economically to reduce the potential for exploitation and (ii) restoring the victimized by providing counseling, offering vocational training, and sharing the Gospel.

#### Potential Risks

Potential risks have been identified in specific instances:

- The Organization's personnel attempted to secure Canadian manufacturers to supply goods. However, Canadian manufacturer prices for required products or materials were uncompetitive or prohibitive, resulting in choosing an overseas supplier that was based in an at-risk jurisdiction.
- Procurement of food (such as rice) occurred in an overseas market that is likely to originate from an at-risk jurisdiction.
- Material inputs to the construction of community-enhancing infrastructure (excluding labour), in local at-risk jurisdictions, have varying levels of transparency.
- The Organization's personnel procured specific brands of equipment produced by manufacturers who outsource manufacturing to at-risk jurisdictions where supply chain transparency is lacking.
- The Organization's Partners working in at-risk jurisdictions occasionally utilize third-parties that may have less accountability to the Organization when carrying out aspects of Activities with supply chain elements.
- The Organization receives donations of large-quantity bulk items donated by businesses and individuals (usually unsolicited), some of which are known to be manufactured in at-risk jurisdictions.

#### **Recommendations for Prevention and Mitigation**

- 1. While ever-increasing procurement costs remain an important consideration, stakeholders increasingly demand ethical procurement.
  - The Organization should take material steps to remedy key Policy/Procedure gaps, addressing these two factors to facilitate improved prevention and mitigation.
- 2. The Organization's inability to ascertain the complete nature of supply chains utilized by certain Service Providers and Partners, particularly with respect to bulk and low-cost goods and food products, originating in at-risk jurisdictions.
  - The Organization should prescribe ethical sourcing requirements to Partners where possible and increase awareness of third parties utilized by Partners who assist in Activities.

- 3. The Organization relies primarily on the professional expertise of personnel to prevent and mitigate risk when proposing and implementing Activities in at-risk jurisdictions.
  - Centralization and promotion of resources and guidance for reference by the Organization's Personnel taken from reputable reports and indices provided by the United Nations, International Labor Organization and U.S. Department of Labor to supplement in-person site visits will create a more sustainable and uniform awareness of risk.

# 4. Policy/Procedure Assessment and Recommendations

In view of the Organization's Risk Observations, existing Policies/Procedures have been reviewed to determine their effectiveness throughout 2023 in preventing and mitigating risk throughout Activities. The following have been reviewed:

- Anti-Bribery and Anti-Corruption
- Anti-Harassment/Discrimination
- Conduct
- Contracts and Contractors
- Purchasing
- Protection of Vulnerable Persons
- Whistleblower Protection (Misconduct Reporting)
- Training

Following review, actions have been identified in specific categories for implementation by the Organization with a view to increasing due diligence.

#### **Procurement and Suppliers:**

Generally, existing written Policies/Procedures governing procurement of equipment and supplies lack express reference to forced/child labour risks in the procurement elements of Activities.

- Policies/Procedures can be enhanced to generate increased awareness at earlier stages and prescribe reasonable prevention and mitigation steps, such as the inclusion of ethical clauses in agreements, enhanced procurement guidance, and supplier review measures.
- Additional forced/child labour awareness training and supplementary requirements for Partners when making
  use of third parties, including but not limited to regular review and assessment of utilized supply chains, will
  increase the Organization's due diligence threshold substantially.

#### Service Providers:

The Organization does not have complete transparency in all Service Provider supply chains.

• When contracting with Service Providers, additional pre-engagement steps can be taken to increase the Organization's due diligence and emphasize the need for service provider compliance, particularly where there is limited visibility of the service provider's supply chain and labour force.

#### **Personnel and Partner Training:**

Existing processes prevent and mitigate risk by requiring ongoing training for Personnel and Partners to ensure alignment with the Organization's Policies/Procedures and validate the ethical integrity of Activities. The Organization's governance structure and charitable compliance requirements create transparency throughout Activity lifecycles.

- Additional express emphasis in training on what to look for and how to identify potential forced/child labour in the supply chain will serve to increase awareness, particularly where charitable work is carried out in jurisdictions at higher risk of forced/child labour incidents.
- Contextual training should be created to develop increased supply-chain risk awareness among Personnel and Partners and set uniform expectations across Activities.

#### **Monitoring Processes:**

The Organization carries out thorough review of Activities, requiring comprehensive narrative reports from Partners, site inspections, financial reporting, and beneficiary impact but does not currently prescribe a uniform monitoring system or compliance mechanism to solicit express reporting or compliance with forced/child labour prevention and mitigation measures.

• A proposed monitoring system designed to increase overall accountability, detect risk, and further prevent and mitigate risk is outlined below.

### 5. Risk Monitoring System

A key aspect of enhancing the Organization's forced/child labour due diligence is the implementation of a sustainable monitoring system. Within the Organization's broader compliance and risk management framework, the monitoring system aims to go beyond the mere identification and management of risk by:

- 1. Classifying forced/child labour risk as low, medium, or high, using an in-house multifactorial assessment based on criteria from UN, ILO, and Walk Free.
- 2. Establishing reasonable contextual due diligence requirements for each risk category prior to commencing new Activities, undertaking significant purchases, and forming external relationships.
- 3. Assessing compliance and effectiveness using uniform reporting and surveys across the Organization in conjunction with the Organization's annual reporting requirements under the Act.

#### CONCLUSION

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### Commitment to the Vulnerable

As observed by the International Labour Organization throughout *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*, vulnerable populations are at a disproportionate risk of exploitation through forced/child labour.<sup>8</sup> Our programs demonstrate our commitment to prevent and mitigate the abuse and exploitation of vulnerable people to ensure they live a life of safety, security, dignity, and worth.

Samaritan's Purse Canada acknowledges that well-intentioned relief efforts, without adequate forced/child labour mitigation and prevention measures, may inadvertently contribute to the suffering of the most vulnerable. The Organization's Evaluation and Risk Identification due diligence exercise highlighted opportunities for improvement in addition to our current policies, procedures, and training that aim to protect the vulnerable individuals we serve.

With the support of our faithful donors, volunteers, and Partners, we remain committed to our efforts, patterned after those of the Good Samaritan in the Gospel of Luke and working in the Name of Jesus Christ, to alleviate the systemic injustices that produce vulnerability, exploitation, and suffering.

### **Approval and Attestation**

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Dated this 24 of May, 2024.

Respectfully submitted,

Ken Stankievech Treasurer/Director

I have authority to bind The Samaritan's Purse - Canada.

 International Labour Organization, Walk Free, and International Organization for Migration, "Global Estimates of Modern Slavery: Forced Labour and Forced Marriage," (2022), online (PDF): <u>https://www.ilo.org/wcmsp5/groups/public/@ed\_norm/@ipec/documents/publication/wcms\_854733.pdf</u>





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