



SOCIAL PROCUREMENT

AGENDA

1. Modern Slavery Act
2. Regulatory Obligations
3. Procurement at SARCAN
4. Beyond Compliance
5. Closing Comments





MODERN SLAVERY ACT

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WHAT IS MODERN SLAVERY?

Modern slavery is an umbrella concept that includes a range of extremely abusive crimes such as forced labour, debt bondage, forced marriage, and human trafficking, among others.

Modern slavery refers to labour practices where people cannot safely or freely refuse to work or leave these situations.





MODERN SLAVERY BY THE NUMBERS

**Modern slavery
remains a significant
global issue, with
49.6M people
enmeshed in modern
slavery in 2021.**

**This was an increase
of 10 million people
from 2016.**

WHAT IS THE MODERN SLAVERY ACT?

Canada's Modern Slavery Act, formally known as the Fighting Against Forced Labour and Child Labour in Supply Chains Act, requires certain entities to report on their efforts to prevent and mitigate forced labor and child labor in their operations and supply chains. The legislation came into force on January 1, 2024.



WHAT IS THE MODERN SLAVERY ACT?

The Act applies to corporations and government institutions that produce, sell, or distribute goods in Canada or import goods into Canada. Entities that fit into one or more of the above categories must also fulfill two of the following three criteria to fall into the scope of the Modern Slavery Act:

- Possess at least \$20 million in assets;
- Have generated annual revenue of \$40 million or more; and
- Have an average of at least 250 employees.



LEGISLATION AROUND THE WORLD

The UK's **Modern Slavery Act** mandates transparency in reporting and criminalizes slavery offenses.

The EU's **Forced Labour Regulation (2027)** will prohibit products made with forced labor from entering the EU market.

California Transparency in Supply Chains Act (2010) requires every large retail seller and manufacturer doing business in California to disclose its efforts to eradicate slavery and human trafficking from its direct supply chain.





REGULATORY OBLIGATIONS

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REGULATORY OBLIGATIONS

Entities subject to the Act are required to submit an annual report to the Minister of Public Safety and must publish annual reports.

REPORTING REQUIREMENTS

The reports must include information on the entity's structure, activities, and supply chains, as well as details on its policies and due diligence processes related to forced and child labor.



REPORTING REQUIREMENTS

Failure to comply with the Act, including submitting false or misleading information, can result in penalties including fines of up to \$250,000.

The Act does not require entities to report on specific instances or allegations of forced or child labor, but rather on the steps taken to prevent and reduce the risks.



IMPACT ON SARCAN

We have to take a deep dive into our procurement practices including:

- Researching where our products come from
- Understanding the disclosure requirements of suppliers
- Educating suppliers
- Evaluating what we consider to be social procurement
- Budgeting





PROCUREMENT AT SARCAN

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SOCIAL PROCUREMENT

Since 1988, SARCAN has prioritized social procurement. It is a way for our organization to leverage our purchasing power to create positive social, economic, and environmental benefits when possible. We prioritize suppliers that share our vision, especially as it pertains to providing opportunities for people experiencing disability.

PROCUREMENT AT SARCAN

While some people might think of SARCAN as a small operation, we are actually quite a substantial organization in Saskatchewan. We purchase a lot of materials throughout our operations.

That procurement includes:



SARCAN Procurement Costs by Category



**Buildings + Leasehold
Improvements**
\$5,056,000

Equipment
\$1,897,000



SARCAN Procurement Costs by Category

Information Technology
\$175,000



Central Stores
\$804,000



SARCAN Procurement Costs by Category



Marketing
\$182,000

Human Resources
\$10,000





BEYOND COMPLIANCE

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BEYOND COMPLIANCE

What this Act has done is renewed our focus on social procurement.

Our pathways for analyzing our procurement practices are:

- Measuring
- Analyzing
- Taking action



ENVIRONMENTAL SUSTAINABILITY

The Act does not specifically address environmental concerns or environmental sustainability.

However, we feel that there are overlaps with SARCAN's broader ESG efforts and regulatory/contractual reporting requirements.

Areas of overlap include...



PAPER CONSUMPTION

SARCAN's operations currently generate over 40,000 lbs of paper each year. We have a strategic priority to assess our current paper use and to look for opportunities to shift to paperless communication.

Over the next five years that will follow an assessment process (quantifying our consumption) and considering reduction efforts according to this hierarchy:

Most Effective

Elimination



Elimination strategies entail a shift to paperless communication and utilizing digital document management systems.

Substitution



This may include a transition to more sustainable paper sources, lower weight stock, more recyclable stock, or smaller prints.

Engineering



Engineering solutions could include shifting to completely digital solutions or setting printer defaults.

Administrative Controls



Administrative controls involve changing the way we work, including the procedures/processes that use paper.

Least Effective

MARKETING MATERIALS

SARCAN believes that responsible resource consumption includes shifting from paper-based communication with our customers. The steps we've taken on this front include:

- Replacing paper brochures with digital resource sheets
- Connecting customers to digital platforms through QR codes
- When printing promotional items, ensuring that they are recyclable



OUR BUILDINGS

As we move into a new generation of collection facilities (depots) at SARCAN, we are planning relocations and renovations with a renewed sense of design for the environment.

This includes:

- Investing in durable equipment and appliances
- Investing in fixtures that are designed for conservation
- Purchasing battery-powered equipment
- Utilizing second-hand furniture
- Using refurbished electronics



INTERNAL WASTE REDUCTION

Every three years we complete a waste audit on our three types of facilities (collection, consolidation, office).

Our last waste audit guided some important internal discussions about responsible resource consumption at SARCAN:

- Hand cleaning solutions
- Packaging options for cleaning products



PUBLIC EDUCATION

While not directly related to internal procurement, we at SARCAN have a mission to make people better recyclers and live a more sustainable life.

We give information to our customers about:

- Responsible recycling for products we don't accept
- Zero waste visits to SARCAN
- Sustainable packaging choices





CLOSING COMMENTS

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QUESTIONS?



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THANK YOU