

Canadian Nuclear Safety Commission's Annual Report: *Fighting  
Against Forced Labour and Child Labour in Supply Chains Act*

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Canadian Nuclear  
Safety Commission

Commission canadienne  
de sûreté nucléaire

Canada

## **Canadian Nuclear Safety Commission’s Annual Report: *Fighting Against Forced Labour and Child Labour in Supply Chains Act***

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## Preface

Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Budget 2023 announced the federal government's intention to introduce legislation by 2024 to eradicate forced labour from Canadian supply chains. On January 1, 2024, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) came into force.

The Act imposes reporting obligations on government institutions producing, purchasing or distributing goods in Canada or elsewhere and requires them to make their reports available to the public. Under the Act, each government institution is responsible for reporting on the contracting activities undertaken under its own procurement authority.

The report must describe the steps the government institution has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods produced, purchased or distributed by that institution.

The following report is the Canadian Nuclear Safety Commission's annual report to the Minister of Public Safety.

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## Part 1: Identifying information

**Name of government institution:** Canadian Nuclear Safety Commission

**Financial reporting year:** April 1, 2023, to March 31, 2024

**Revision:** N/A

This report is not produced by a federal Crown corporation or a subsidiary of a federal Crown Corporation.

## Part 2: Report contents

### 2.1 Structure, activities and supply chains

The Canadian Nuclear Safety Commission (CNSC), created and mandated under the *Nuclear Safety and Control Act*, is Canada's nuclear regulator.

The CNSC regulates the use of nuclear energy and materials to protect health, safety, security and the environment; to implement Canada's international commitments on the peaceful use of nuclear energy; and to disseminate objective scientific, technical and regulatory information to the public.

The CNSC is independent of, but not isolated from, government and reports to Parliament through the Minister of Energy and Natural Resources. The CNSC's head office is located in Ottawa, Ontario, with multiple regional and site offices across Canada. The CNSC will have approximately 1,004 full-time employees for fiscal year 2024–25.

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act), the CNSC is responsible for reporting on the steps it has taken to prevent and reduce the risk that forced labour or child labour are used at any step of the production of goods produced, purchased or distributed by the CNSC. Since the majority (63%) of the CNSC's purchasing activity is for services, and only 37% is for goods, the risk of forced labour and child labour in the production, purchase or distribution of goods is, on the whole, low.

In fiscal year 2023–24, the total value of contracts issued for goods amounted to approximately \$4.6 million. Of these contracts, approximately 78% were either issued through tools provided by Public Services and Procurement Canada (PSPC) or Shared Services Canada (SSC) or handled by PSPC or SSC as a result of being outside the CNSC's procurement authority. Collectively, these contracts accounted for 95% of the CNSC's total contract value for goods during this period. The purchases were made within Canada.

While PSPC and SSC support government institutions in their daily operations by acting as the central purchasing agents for the Government of Canada, the CNSC undertakes some activities under its own procurement authority, independently of the aforementioned PSPC or SSC tools.

During the last fiscal year, the CNSC procured various goods through its own procurement authority, such as software, subscriptions, office supplies and office furniture.

## 2.2 Steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods produced, purchased or distributed by the CNSC

Approximately 78% of the CNSC's acquisitions are procured through PSPC or SSC tools. This represents 95% of the total value of CNSC contracts issued for the 2023–24 fiscal year.

Since November 2021, PSPC has been implementing anti-forced labour clauses in all goods contracts to ensure that it can terminate contracts where there is credible information that the goods have been produced in whole or in part by forced labour or human trafficking. Additionally, as of November 20, 2023, all PSPC standing offers and supply arrangements for goods that have been issued, amended or refreshed include anti-forced labour clauses.

Furthermore, the CNSC includes PSPC anti-forced labour clauses in all goods contracts when PSPC or SSC tools are not used.

## 2.3 CNSC policies and due diligence processes in relation to forced labour and child labour

Effective April 1, 2023, amendments to the Treasury Board *Directive on the Management of Procurement* require contracting authorities from all departments listed in schedules I, I.1 and II to the *Financial Administration Act* (with the exception of the Canada Revenue Agency) and commissions established in accordance with the *Inquiries Act* and designated as a department for the purposes of the *Financial Administration Act* to incorporate the Code of Conduct for Procurement ("the Code") into their procurements.

Pursuant to those amendments, the CNSC has integrated the Code into its procurements, under the General Conditions for goods, with a view to safeguarding federal procurement supply chains from forced labour and child labour.

The Code requires that vendors and their sub-contractors providing goods and services to the Government of Canada comply with all applicable laws and regulations. In addition, the Code requires vendors and their sub-contractors to comply with Canada's prohibition on the importation of goods produced, in whole or in part, by forced or compulsory labour. This includes forced or compulsory child labour and applies to all goods, regardless of their country of origin.

The prohibition on the importation of goods produced wholly or in part by forced labour came into force under the Customs Tariff on July 1, 2020. This amendment implemented a commitment in the Labour chapter of the Canada-United States-Mexico Agreement (CUSMA) and applies to all imports, regardless of origin.

Furthermore, since November 2021, PSPC has been implementing anti-forced labour clauses in all goods contracts to ensure that it can terminate contracts where there is credible information that the goods have been produced in whole or in part by forced labour or human trafficking. Additionally, as of November 20, 2023, all PSPC standing offers and supply arrangements for goods that have been issued, amended or refreshed include anti-forced labour clauses.

As a result, all CNSC contracts for goods resulting from the use of PSPC and SSC tools include clauses relating to forced labour that set out, among other things, human rights and labour rights requirements. These clauses can be found in Policy Notification 150 – [Anti-forced labour requirements](#).

In addition, the CNSC includes PSPC anti-forced labour clauses in all goods contracts when PSPC or SSC tools are not used.

#### 2.4 Parts of the CNSC's activities and supply chains that carry a risk of forced labour or child labour being used, and the steps it has taken to assess and manage that risk

Since the majority (63%) of the CNSC's purchasing activity is for services, and only 37% is for goods, the risk of forced labour and child labour in the production, purchase or distribution of goods is, overall, low. The CNSC predominantly procures its goods via PSPC and SSC procurement tools, and our efforts to prevent forced labour and child labour have centered on following guidance provided by these institutions.

The CNSC has not started the process of identifying risks in its activities and supply chains. However, in May 2021, a risk analysis of PSPC's supply chains was completed by the Rights Lab, of the University of Nottingham (U.K.), to determine which goods were at highest risk of exposure to human trafficking, forced labour and child labour. The analysis, and the subsequent report, elaborated key strategies for PSPC to leverage public spending power to raise awareness about forced labour in supply chains.

The CNSC has familiarized itself with the risk assessment provided by PSPC and is monitoring related follow-up actions, including the development of a policy on ethical procurement.

#### 2.5 Remediation measures to eliminate the use of forced labour or child labour in the CNSC's activities and supply chains

Since the majority (63%) of the CNSC's purchasing activity is for services, and only 37% is for goods, the risk of forced labour and child labour in the production, purchase or distribution of goods is, overall, low. The CNSC predominantly procures its goods via PSPC and SSC procurement tools, and our efforts to prevent forced labour and child labour have centered on following guidance provided by these institutions.

No measures have been taken by the CNSC to remediate forced labour or child labour in its activities and supply chains.

#### 2.6 Remediation of loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in the CNSC's activities and supply chains

Since the majority (63%) of the CNSC's purchasing activity is for services, and only 37% is for goods, the risk of forced labour and child labour in the production, purchase or distribution of goods is, overall, low. The CNSC predominantly procures its goods via PSPC and SSC procurement tools, and our efforts to prevent forced labour and child labour have centered on following guidance provided by these institutions. The CNSC has not taken any action to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

## 2.7 Training provided to employees on forced labour and child labour

The CNSC does not offer training to employees that is specifically focused on forced labour and/or child labour. However, the CNSC aims to disseminate relevant information as it becomes available in order to educate employees and mitigate the risk of forced and child labour in procurement processes.

Moreover, should training become available through the Canada School of Public Service or PSPC, the CNSC will make that training mandatory for employees.

The CNSC is aware that PSPC is currently developing awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. The CNSC is monitoring the development of those materials and will leverage those resources upon their publication.

## 2.8 Assessing the CNSC's effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains

Since the majority (63%) of the CNSC's purchasing activity is for services, and only 37% is for goods, the risk of forced labour and child labour in the production, purchase or distribution of goods is, overall, low. The CNSC predominantly procures its goods via PSPC and SSC procurement tools, and our efforts to prevent forced labour and child labour have centered on following guidance provided by these institutions. The CNSC currently does not have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. Having said that, the CNSC will rely on any assessments PSPC and SSC conduct as it mainly procures goods through their tools.

## Conclusion

In conclusion, the CNSC recognizes the importance of combatting forced labour and child labour within its procurement activities and supply chains. By complying with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and by integrating relevant policies and clauses, the CNSC has taken steps to mitigate risks and uphold ethical standards in its procurement processes. While acknowledging that there are areas for improvement, such as training initiatives and effectiveness assessments, the CNSC remains committed to continuous improvement and vigilance in safeguarding against forced labour and child labour. Moving forward, the CNSC will continue to monitor developments in legislation, collaborate with relevant stakeholders, and implement necessary measures to uphold its responsibilities in this critical area.



## Key definitions

Definitions from section 2 of the Act.

**Child labour** means labour or services provided or offered to be provided by persons under the age of 18 years and that

- a) are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada;
- b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
- c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work; or
- d) constitute the worst forms of child labour as defined in article 3 of the Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999.

**Forced labour** means labour or service provided or offered to be provided by a person under circumstances that

- a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or
- b) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930.

**Government institution** has the same meaning as in section 3 of the *Access to Information Act*. Section 3 defines “government institution” as:

- a) any department or ministry of state of the Government of Canada, or any body or office, listed in Schedule I, and
- b) any parent Crown corporation, and any wholly-owned subsidiary of such a corporation, within the meaning of section 83 of the *Financial Administration Act*.

**Head** has the same meaning as in section 3 of the *Access to Information Act*. Section 3 defines “head” as:

- a) in the case of a department or ministry of state, the member of the Queen’s Privy Council for Canada who presides over the department or ministry, or
- b) in any other case, either the person designated under subsection 3.2(2) to be the head of the institution for the purposes of this Act or, if no such person is designated, the chief executive officer of the institution, whatever their title.

**Minister** means the Minister of Public Safety and Emergency Preparedness (as of January 1, 2024, this role is assigned to the Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs).

**Production of goods** includes the manufacturing, growing, extracting and processing of goods.

**Due diligence**<sup>1</sup> refers to an ongoing management process to identify, prevent, mitigate and account for how an institution addresses actual and potential adverse human rights impacts in its operations and supply chains. There are 4 key parts to due diligence:

- identifying and assessing actual and potential human rights impacts (for example, screening new suppliers for risks of forced labour and child labour)
- integrating findings across the institution and taking appropriate action to address impacts (for example, introducing internal training on forced labour and child labour, and processes for incident reporting)
- tracking the institution's performance to check whether impacts are being addressed (for example, doing an internal audit of supplier screening)
- publicly communicating what the institution is doing (for example, by publishing an annual report pursuant to the Act or publicly responding to allegations against a supplier)

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<sup>1</sup> Adapted from the definition of due diligence from the Organisation for Economic Co-operation and Development.