

# Department of National Defence / Canadian Armed Forces

## 2023-24 Questionnaire – *Supply Chains Act*

1. \*What steps has the government institution taken in the 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 the government institution? Select all that apply. (Required)

- Mapping activities
- Mapping supply chains
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Developing and implementing an action plan for addressing forced labour and/or child labour
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains
- Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
- Developing and implementing child protection policies and processes
- Developing and implementing anti-forced labour and/or -child labour contractual clauses
- Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists
- Auditing suppliers
- Monitoring suppliers
- Enacting measures to provide for, or cooperate in, remediation of forced labour and/or child labour
- Developing and implementing grievance mechanisms
- Developing and implementing training and awareness materials on forced labour and/or child labour
- Developing and implementing procedures to track performance in addressing forced labour and/or child labour
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour
- Engaging with civil society groups, experts and other stakeholders on the issue of addressing forced labour and/or child labour

- Engaging directly with workers and families potentially affected by forced labour and/or child labour to assess and address risks
- Information not available for this reporting period
- Other, please specify

**2. Please provide additional information describing the steps taken (if applicable) (1,500 character limit)**

DND has integrated Public Service and Procurement Canada's (PSPC) updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement into its purchasing activities.

In addition, to prevent and reduce the risk of forced labour or child labour in procurements, the Department has used the following list of PSPC's tools:

- Standing Offers
- Supply Arrangements
- Anti-forced labour contract clauses

While PSPC supports government institutions in their daily operations by acting as the central purchasing agent for the Government of Canada, DND undertakes activities under its own procurement authority, independently of the aforementioned PSPC tools.

The DND and the Canadian Armed Forces (CAF) are undertaking an internal supply chain illumination risk assessment to map supply chains across select major capital projects. Since development began in December 2021, the risk assessment remains in its pilot phase. Although forced labour and child labour were not specifically identified in the initial risk assessment plan, the assessment model does identify supply chain geopolitical and societal threat risks.

**3. \*Which of the following accurately describes the government institution's activities? Select all that apply. (Required)**

- Producing goods (including manufacturing, extracting, growing and processing)
  - in Canada
  - outside Canada
- Purchasing goods
  - in Canada
  - outside Canada
- Distributing goods
  - in Canada
  - outside Canada

**4. Please provide additional information on the government institution's structure, activities and supply chains (1,500 character limit).**

Governed by the Defence Supply Chain Governance Charter, the defence supply chain involves procuring, managing, delivering, and supporting materiel and provision of services required to successfully sustain CAF operations and training. Goods are both purchased inside and outside of Canada and are distributed between Canadian Forces Bases, depots, and deployed units domestically and overseas. Equipment is routinely distributed back to vendors for repairs and overhaul. DND also divests of equipment when it has reached its end of life. The defence supply chain comprises over 600 million items spanning roughly 1.2 million NATO Stock Numbers globally dispersed across more than 300 supply warehouses, as well as private sector supplies.

**5. \*Does the government institution currently have policies and due diligence processes in place related to forced labour and/or child labour? (Required)**

- Yes
- No

**5.1 \*If yes, which of the following elements of the due diligence process has the government institution implemented in relation to forced labour and/or child labour? Select all that apply. (Required)**

- Embedding responsible business conduct into policies and management systems
- Identifying and assessing adverse impacts in operations, supply chains and business relationships
- Ceasing, preventing or mitigating adverse impacts
- Tracking implementation and results
- Communicating how impacts are addressed
- Providing for or cooperating in remediation when appropriate

**6. Please provide additional information on the government institution's policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit).**

DND has integrated Public Service and Procurement Canada's (PSPC) updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement into its purchasing activities.

The Code requires that vendors, providing goods and services to the Government of Canada and their sub-contractors, 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.

At DND, approximately 44% of the annual value of our purchases were made through the use of PSPC tools such as Standing Offers and Supply Arrangements. Since November 20, 2023, all PSPC Standing Offers and Supply Arrangements for goods that have been issued, amended, or refreshed include anti-forced labour clauses.

While PSPC supports government institutions in their daily operations by acting as the central purchasing agent for the Government of Canada, DND undertakes activities under its own procurement authority, independently of the aforementioned PSPC tools.

**7. \*Has the government institution identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used? (Required)**

- Yes, we have identified risks to the best of our knowledge and will continue to strive to identify emerging risks.
- Yes, we have started the process of identifying risks, but there are still gaps in our assessments.
- No, we have not started the process of identifying risks.

**7.1 \*If yes, has the government institution identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply. (Required)**

- The sector or industry it operates in
- The types of products it produces, purchases or distributes
- The locations of its activities, operations or factories
- The types of products it sources
- The raw materials or commodities used in its supply chains
- Tier one (direct) suppliers
- Tier two suppliers
- Tier three suppliers
- Suppliers further down the supply chain than tier three
- The use of outsourced, contracted or subcontracted labour
- The use of migrant labour
- The use of forced labour
- The use of child labour
- None of the above
- Other, please specify:

**8. \*Has the government institution identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply. (Required)**

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services
- Other services (except public administration)
- Public administration
- None of the above
- Other, please specify:

**9. Please provide additional information on the parts of the government institution's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the government institution has taken to assess and manage that risk (if applicable) (1,500 character limit).**

In May 2021, a risk analysis of PSPC's supply chains was completed by Rights Lab, of the University of Nottingham (U.K.), to determine which goods were at the highest risk of exposure to human trafficking, forced labour, and child labour. The analysis, and subsequent report, elaborated key strategies for PSPC to leverage public spending power to raise awareness about forced labour in supply chains. DND and the CAF are familiarized with the risk assessment information provided by PSPC, and are monitoring related follow-action, including the development of a Policy on Ethical Procurement.

**10. \*Has the government institution taken any measures to remediate any forced labour or child labour in its activities and supply chains? (Required)**

- Yes, we have taken remediation measures and will continue to identify and address any gaps in our response.

- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

**10.1 \*If yes, which remediation measures has the government institution taken? Select all that apply. (Required)**

- Actions to support victims of forced labour or child labour and/or their families, such as workforce reintegration and psychosocial support
- Compensation for victims of forced labour or child labour and/or their families
- Actions to prevent forced labour or child labour and associated harms from reoccurring
- Grievance mechanisms
- Formal apologies
- Other, please specify:

**11. Please provide additional information on any measures the government institution has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit).**

DND has not taken any measures to remediate any forced labour or child labour.

**12. \*Has the government institution taken any measures to remediate the 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 its activities and supply chains? (Required)**

- Yes, we have taken substantial remediation measures and will continue to identify and address any gaps in our response.
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

**13. Please provide additional information on any measures the government institution has taken to remediate the 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 its activities and supply chains (if applicable) (1,500 character limit).**

DND has not taken any measures to remediate the loss of income to anyone due to efforts to eliminate the use of forced labour or child labour in its activities and supply chains.

**14. \*Does the government institution currently provide training to employees on forced labour and/or child labour? (Required)**

- Yes
- No

**14.1 \*If yes, is the training mandatory? (Required)**

- Yes, the training is mandatory for all employees.
- Yes, the training is mandatory for employees making contracting or purchasing decisions.
- Yes, the training is mandatory for some employees.
- No, the training is voluntary.

**15. Please provide additional information on the training the government institution provides to employees on forced labour and child labour (if applicable). (1,500 character limit).**

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

**16. \*Does the government institution currently 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? (Required)**

- Yes
- No

**16.1 \*If yes, what method does the government institution use to assess its effectiveness? Select all that apply. (Required)**

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and -child labour clauses
- Partnering with an external organization to conduct an independent review or audit of the organization's actions
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators
- Other, please specify:

**17. Please provide additional information on how the government institution assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).**

The *Supply Chains Act* entered into force in January 2024. DND began preliminary exploratory work on the implications of the Act in March 2024. Any future policies and procedures on assessing the effectiveness in ensuring that forced labour and child labour are not being used in departmental activities and supply chains depends on an analysis of procedural and policy requirements as well as direction from Public Safety Canada on expectations.