

## PART 1 : IDENTIFYING INFORMATION

**Name of government institution:** Innovation Science and Economic Development Canada

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

**Indicate if this is a revised report :** No

**Indicate if this is a report produced by a federal Crown corporation or a subsidiary of a federal Crown corporation:** N/A

## PART 2: REPORT CONTENTS

### 2.1 Information on the government institution's structure, activities and supply chains

**Which of the following accurately describes the government institution's activities?**

- Purchasing goods
  - in Canada
  - outside Canada

**Provide additional information on the government institution's structure, activities and supply chains.**

At Innovation Science and Economic Development (ISED), approximately 90% of the annual value of our purchases were made through the use of Public Services and

Procurement Canada (PSPC) and Shared Services Canada (SSC) tools such as Standing Offers and Supply Arrangements.

Since November, 2021, PSPC implemented 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, 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.

As such, all of our contracts for goods resulting from the use of these tools include clauses relating to forced labour which set out, among other things, human rights and labour rights requirements. These clauses can be found in the [policy notification 150 – Anti-forced labour requirements](#).

## **2.2 Information on the 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 government institution**

**Indicate steps 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.**

- Information not available for this reporting period.

**If applicable, please provide additional information describing the steps taken.**

ISED has used PSPC's tools, including Standing Offers and Supply Arrangements, and integrated PSPC's Code of Conduct for Procurement in our purchasing activities to prevent and reduce the risk of forced labour or child labour in our procurements.

These tools include:

- Supply Arrangements (SA)
- National Master Standing Offers (NMSO)
- Regional Master Standing Offers (RMSO)
- National Individual Standing Offers (NISO)
- Regional Individual Standing Offers (RISO)
- Departmental Individual Standing Offers (DISO)
- Task-Based Informatics Professional Services (TBIPS)
- Solutions-Based Informatics Professional Services (SBIPS)
- Task and Solutions Professional Services (TSPS)
- ProServices
- Professional Audit Support Services Supply Arrangement (PASS-SA)

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

ISED has integrated PSPC's updated General Conditions for goods contracts and PSPC's Code of Conduct for Procurement in our purchasing activities to prevent and reduce the risk of forced labour or child labour in our procurements.

During the previous fiscal year ISED purchased goods and services under its own procurement authority in the following areas:

- Computer Equipment
- Engineering Works
- Equipment & Parts
- Health & Welfare Services
- Informatics Equipment and Parts
- Machinery, Furniture and Parts
- Management Consulting
- Non-Residential Building
- Office furniture
- Publishing Printing & Exposition

- Repair Equipment
- Software
- Subscriptions & data access services
- Training
- Translations Services
- Vehicles & Parts

### 2.3 Information on the policies and due diligence processes in relation to forced labour and child labour

**Does the government institution currently have policies and due diligence processes in place related to forced labour and/or child labour? No**

**If applicable, please provide additional information on the government institution's policies and due diligence processes in relation to forced labour and child labour**

ISED is currently making amendments to its Directive on the Management of Procurement and its procurement processes to include requirements to help identify, mitigate and disclose risk of human trafficking, forced or child labour, or any other unethical business practice occurring in the Department's supply chains.

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 of 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 the aforementioned amendments, ISED has integrated the Code into our procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that our organization has awarded, using PSPC/SSC tools, included the Code through the General Conditions for goods. Starting in FY 2024-

2025, all contracts issued outside PSPC/SSC procurement tools, and under ISED delegated procurement authority will include the Code of Conduct for Procurement.

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.

#### **2.4 Information on the parts of its activities and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk**

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

- No, we have not started the process of identifying risks. ISED will start this exercise in FY 2024-25.

**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?**

- No, we have not started the process of identifying risks. ISED will start this exercise in FY 2024-25.

**If applicable, 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.**

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.

ISED will familiarize ourselves with information on the risk assessment provided by PSPC, and are monitoring related follow-action, including the development of a Policy on Ethical Procurement.

## **2.5 Information on any measures taken to remediate any forced labour or child labour**

**Has the government institution taken any measures to remediate any forced labour or child labour in its activities and supply chains?**

- Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

## **2.6 Information on any measures 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 the institution's activities and supply chains**

**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 or child labour in its activities and supply chains?**

- 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.

## **2.7 Information on the training provided to employees on forced labour and child labour**

**Does the government institution currently provide training to employees on forced labour and/or child labour? No**

**If applicable, please provide additional information on the training the government institution provides to employees on forced labour and child labour.**

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

ISED is also monitoring the development of training, by the Canada School of Public Service, related to forced labour and child labour and will leverage these resources upon their publication.

## **2.8 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**

**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? No**

**If applicable, 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**

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