



Natural Resources Canada

FORCED LABOUR AND SUPPLY
CHAIN INTEGRITY REPORT – FISCAL
YEAR 2023-2024



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Part 1: identifying information

Name of government institution: Natural Resources Canada (NRCan)

Financial reporting year (start date, end date): April 1, 2023 to March 31, 2024

Indicate if this is a revised report: Not applicable

Indicate if this is a report produced by a federal Crown corporation or a subsidiary of a federal Crown corporation: Not applicable

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?

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

NRCan purchases goods in and outside of Canada.

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

NRCan develops policies and programs that enhance the contribution of the natural resources sector to the economy, improve the quality of life for all Canadians and conducts innovative science in facilities across Canada to generate ideas and transfer technologies (source: [Raison d'être, mandate and role: who we are and what we do](#)).

The structure of NRCan includes 12 sectors, and has offices and laboratories across the country. About 70% of employees are located in the National Capital Region, with the remainder working in regional offices: Atlantic Canada, Quebec, Ontario, the Western and Pacific Regions and Northern Canada.

NRCan's mandate is as follows: The Minister of Natural Resources has responsibilities in relation to more than [30 acts of Parliament](#). The Minister's core powers, duties and functions are set forth in the [Department of Natural Resources Act](#), the [Resources and Technical Surveys Act](#), and the [Forestry Act](#). Other Acts set out the terms for the management of resources in Federal Crown lands and of Canada's natural resource policies.

The Department also works in areas of shared responsibilities with provinces, which includes the environment, public safety, economic development, science and technology, and consultations with Indigenous peoples. To fulfil its responsibilities, NRCan relies on a number of instruments (e.g.,

legislation, policy, regulation, statutory transfers, grants and contributions) and key activities (e.g., science and technology, partnerships and communications). ([source](#))

At NRCan, approximately 12% of the annual value of our purchases were made through the use of Public Services and Procurement Canada (PSPC) 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 NRCan 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](#).

Overall, NRCan spent \$50.3 million on goods requirements for fiscal year 2023-2024. Of that, ≈ 88% was procured via PSPC or Shared Services Canada (call ups against standing offers or contracts issued on behalf of NRCan), while ≈ 12% of NRCan's goods purchases fiscal year 2023-2024 were procured under NRCan's authority (≤ \$25,000 inclusive of tax).

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.

NRCan 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 the use of PSPC Standing Offers for requirements including but not limited to:

- automatic data processing equipment, system configuration;
- electrical hardware and supplies;
- video recording and reproduction equipment;
- transformers: distribution and power station;
- passenger motor vehicles;
- hand tools;
- utility terrain vehicles;

- office furniture;
- laboratory and scientific equipment;
- software licensing.

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

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

During fiscal year 2023-2024, NRCan purchased goods under its own departmental procurement authority (\leq \$25,000 inclusive of tax) representing roughly \$5.9 million of overall goods purchases as listed below based on the Goods and Services Identification Number (GSIN) identified in the Purchase Order:

- Service And Trade Equipment;
- ADP Central Processing Unit (Cpu, Computer) Digital;
- ADP Software;
- ADP Software Other Than Computer;
- Air Conditioning Equipment;
- Automatic Data Processing Equipment, System Configuration;
- Calibration And Test Specimens;
- Chemical Analysis Instruments;
- Chemicals;
- Chemicals And Chemical Products;
- Computer Software For Technology Assisted Training;
- Computer Software, Data Base Management, Information Retrieval - Microcomputers Only;
- Computer Software, Engineering, Scientific, Mathematical, Statistical, Modeling, Simulation, Emulation, Energy - Microcomputers Only;
- Computer Software, Engineering, Scientific, Mathematical, Statistical, Modeling, Simulation, Emulation, Energy - Other Than Microcomputers;
- Computer Software, Materiel Management, Inventory Control - Other Than Microcomputers;
- Computer Software, Storage, Retrieval, Processing And/Or Presentation Of Graphics, Image, Or Voice/Data - Microcomputers Only;
- Computers, Micro, Laptop;
- Electrical And Electronic Properties Measuring And Testing Instruments;
- Environmental Chambers And Related Equipment;
- Furnaces, Industrial;
- Furniture;
- Furniture, Laboratory;
- Gas, Propane;

- Gases, Compressed And Liquified;
- Ground Effect Vehicles, Motor Vehicles, Trailers, And Cycles;
- Industrial Size Reduction Machinery;
- Instrumentation, Remote Reading;
- Laboratory Equipment And Supplies;
- Lift, Hydraulic, Aerial Work;
- Maintenance And Repair Shop Equipment;
- Maintenance And Repair Shop Specialized Equipment, Miscellaneous;
- Materials Handling Equipment, Miscellaneous;
- Materials Handling Equipment/Nonsel – Propelled;
- Mini And Micro Computer Control Devices;
- Miscellaneous Items;
- Miscellaneous Special Industry Machinery;
- Optical Instruments, Test Equipment, Components And Accessories;
- Passenger Motor Vehicles, Electric;
- Ph Meters (All Types);
- Physical Properties Testing Equipment;
- Refrigeration Equipment;
- Seismographic Instruments;
- Service And Trade Equipment, Miscellaneous;
- Snowmobile, Spare Parts;
- Trailers;
- Truck And Tractor Attachments;
- Truck, Forklift;
- Trucks And Truck Tractors, Wheeled;
- Valves;
- Valves, Nonpowered;
- Vehicle Accessory, Box Cap For Light Trucks (Fibreglass Or Aluminum).

Of the purchases made under NRCan’s authority, only 2.8% (\$163K) were purchased against the top ten GSIN codes identified by PSPC at highest risk of human trafficking, forced labour, and child labour.

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

Outside of including the [Code of Conduct for Procurement](#) in all resulting contracts, no additional measures have yet been taken or implemented to remediate forced labour or child labour in NRCan’s activities and supply chains.

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? (Yes or No)

Yes, effective April 1, 2023, amendments to the Treasury Board of Canada Secretariat [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, NRCan has integrated the Code into its procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that our organization has awarded included the Code through the General Conditions for goods.

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 above is in addition to the prohibition on the importation of goods produced wholly or in part by forced labour that 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.

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

Not applicable

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, NRCan has not started the process of identifying risks for procurements issued under its own authority, outside of the available PSPC or Shared Services Canada (SSC) standing offers.

NRCan procures much of its goods via PSPC standing offers, SSC Standing Offers, PSPC issued contracts on behalf of NRCan, and SSC issued contracts on behalf of NRCan, therefore NRCan is reliant on central agencies to identify the parts of the activities and supply chains that carry a risk of forced labour or child labour being used.

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.

The department has familiarized itself with information on the risk assessment provided by PSPC, and is monitoring further follow up actions, including the development of a Policy on Ethical Procurement.

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?

Outside of including the [Code of Conduct for Procurement](#) in all resulting contracts, no additional measures have yet been taken or implemented to remediate forced labour or child labour in NRCan's activities and supply chains.

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?

No, NRCan has not yet identified any forced labour or child labour in our activities and supply chains.

If applicable, please provide additional information on any measures the government institution has taken to remediate any forced labour or child labour

NRCan has not identified any forced labour or child labour in our activities and supply chains; however, NRCan includes incorporation by reference to the [Code of Conduct for Procurement](#) in all its resulting contracts which includes a section on human rights and labour standards.

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?

NRCan has 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.

If applicable, 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

Not applicable

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? (Y/N)

NRCan is awaiting guidance from PSPC to develop training material or awareness sessions aimed at NRCan Contracting Authorities and Business Owners.

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

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

Not applicable

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? (Yes or No)

No, NRCan does not 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.

NRCan procures much of its goods via PSPC standing offers, SSC Standing Offers, PSPC issued contracts on behalf of NRCan, and SSC issued contracts on behalf of NRCan, therefore NRCan is reliant on central agencies to identify the parts of the activities and supply chains that carry a risk of forced labour or child labour being used.

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.

Not applicable