



# **FIGHTING FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS**

May 31, 2024

## Approval and Attestation

The Prince Rupert Port Authority (PRPA) is subject to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") and as a government institution within the definition of the Act, must report on steps taken to reduce and mitigate risks associated with forced labour and child labour in its supply chains.

The stated purpose of the Act is to implement Canada's international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations on government institutions and entities producing, purchasing, or distributing goods in Canada or elsewhere. The reporting obligations of the Act include the assessment of vulnerability to forced and child labour as well as mitigation and remediation measures. PRPA recognizes that reporting will enhance awareness of oppressive labour practices and is vital to their eradication.

PRPA is committed to compliance with the Act and respectfully submits this report in conformance and in support of Canada's effort to combat forced labour and child labour internationally.

Sincerely,  
**PRINCE RUPERT PORT AUTHORITY**



Shaun Stevenson, MBA  
President & CEO



## Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**) received Royal Assent on May 11, 2023 and came into force on January 1, 2024. The Act aims to reduce the use of forced labour and child labour within organizations doing business in Canada. To that end and in compliance with the Act, PRPA is completing a focused review of its activities and supply chains to identify areas potentially vulnerable to oppressive labour practices and develop mitigation measures to reduce such vulnerability. This is PRPA's first report after enactment of the legislation.

PRPA is defined within the Act as a government institution and, as a purchaser of goods, is obligated to the prescribed reporting requirements. The reporting requirements are laid out in Part 1 of the Act and are the basis of the form and content of this report. In accordance with the Act, this report considers PRPA's activities for the previous financial year, more specifically between the dates of Royal Assent and December 31, 2023.

## PRPA Structure

PRPA is a Canada Port Authority (**CPA**) established by Letters Patent issued by the Minister of Transport, with the approval of the Governor-in-Council, pursuant to Section 8 of the *Canada Marine Act* (**CMA**). PRPA's Letters Patent outline PRPA's governance, major activities and powers, and set out the lands and waters under its management. The PRPA is a federally incorporated, autonomous, non-share corporation expected to be self-sufficient and operates independently from the federal government but within the parameters of the CMA and its Letters Patent.

PRPA is structured and operated in a manner similar to most commercial enterprises. It is governed by a Board of Directors and employs a President and CEO and a complement of management and support staff based in offices located in Prince Rupert and Vancouver.

## PRPA Activities

Part 6 of the Act cites production, purchasing and distribution of goods as the subject of reporting. PRPA's core activities focus on shipping and navigation and include facilitating the safe transportation of goods and passengers. PRPA also carries out non-core activities to support port development and operations such as borrowing and land acquisition. Although permitted within the scope of the CMA and Letters Patent, at this time PRPA is not engaged in the distribution of goods; however, PRPA routinely purchases goods to support day to day operations and that activity is the subject of review for this reporting period.

## Supply Chain

As noted above, PRPA does not participate in the production or distribution of goods. For the purpose of this report supply chains considered are limited to the acquisition of goods and services related to the promotion, development and maintenance of port lands and assets. Generally, this includes:

- engagement of professional consulting and technical services in support of port development and operations;

- engagement of construction services related to port development and maintenance of assets;
- purchase of hardware and software required for operations and administration; and
- purchase of goods and materials required for port development, operations, and asset maintenance.

## Policies and Due Diligence Processes

PRPA's normal practice is to acquire goods and services within Canada where laws are in place to protect against exploitive labour practices. On occasion, PRPA may source goods or services from outside Canada; however, in such cases procurement is typically from areas where similar laws are in place. In addition to existing legislation, PRPA has policies in place to consider the practices and activities of its vendors. The following list is not exhaustive but is indicative that mechanisms are in place to minimize exploitive labour practices.

- PRPA is subject to the Canada Labour Code and related regulations. PRPA's tenants and operators are subject to applicable provincial labour codes and related regulations;
- PRPA Letters Patent, Article 11 – Federal Obligations requires the PRPA to comply with all obligations applicable to the Authority arising under any international agreement, convention, or arrangement or any federal-provincial agreement to which His Majesty is a party. Examples of international human rights treaties ratified by Canada include:
  - Convention of the Rights of the Child;
  - Forced Labour Convention, 1930
  - ILO Convention 182 on the Worst Forms of Child Labour and its accompanying Recommendation 190
  - ILO Convention 29 on Forced Labour and its Protocol of 2014;
  - North American Agreement on Labour Cooperation
- PRPA's Procurement Policy requires the acquisition of goods and services to be in accordance with applicable legislation and trade agreements.
- PRPA's Integrity Assurance Policy, ensures employees have a protected path to report wrongdoing to appropriate authorities, through a third party whistleblower reporting service provider.

## Risks in Supply Chain

PRPA's normal practice is to acquire goods and services within Canada where laws are in place to protect against forced and child labour. On occasion, PRPA may source goods or services from outside Canada; however, in such cases procurement is typically within North America where similar laws are in place. With that being the case, risk of forced and child labour within PRPA's supply chains is deemed to be low; however it is acknowledged that indirect risks related to the procurement of some goods may exist. Some examples are as follows:

- Purchase of goods where components of final products are manufactured in areas known for lenience to oppressive labour practices; and



- Purchase of goods where source materials (e.g. ores, minerals) are sourced from areas known for lenience to oppressive labour practices.

In addition to the risk of violation of laws and policies, operational risk exists through potential loss of services or acquisition of goods through a shutdown of providers outside of Canada. PRPA acknowledges this risk and intends to analyze existing vendors to mitigate such risk.

## **Risk Assessment and Management**

Within the reporting period for this report PRPA's assessment of supply chain vulnerability to oppressive labour actions was limited. PRPA engaged consulting services to provide insight into the issue and develop a framework to assess and manage such risk and provide recommendations on further actions to be considered.

## **Remediation Measures**

As noted above, there has been limited assessment of supply chain risk for this, the first report under the enactment of new legislation within the reporting period. With that being the case, there are no reportable remediation measures for this reporting period.

Further to the above comment and as previously noted, PRPA has retained consulting expertise to assess supply chain risk relative to the aims of the Act. It is PRPA's intent to respond to risks through the development of remediation measures.

## **Remediation of Loss**

To date, PRPA has not developed a framework to identify, quantify, or respond to loss arising from oppressive labour practices in supply chains.

Consistent with previous comments, PRPA acknowledges the aims of the Act and has engaged consulting expertise to help PRPA develop an understanding and response framework in this area.

## **Training and Awareness**

There are limited training and awareness activities for this reporting period. PRPA has provided information to its Board of Directors and executive management team on the Act and its purpose and requirements. PRPA has engaged consulting expertise to assist in developing a framework for training and awareness for the broader organization which will be implemented in 2024.

## **Effectiveness Assessment**

There are no reportable activities related to an assessment of the effectiveness actions remediation measures, loss remediation, and training and awareness activities for this reporting period. As the remediation and training and awareness activities are put in place PRPA will implement a effectiveness assessment program.

## **Next Steps**

As noted in several responses, PRPA has engaged consulting expertise to develop a Vendor Risk Management Framework. At the writing of this report work to date has identified the following areas for consideration and possible actions to support the aims of the Act.

### **Vendor Risk Assessments**

- Develop modern slavery risk profile assessments for incorporation into vendor risk assessment activities
- Develop a framework to consider country of origin, conflict-affected areas, total spend, supplier segments, and high-risk goods and materials

### **Vendor Due Diligence**

- Develop due diligence requirements for all vendors subject to assessment under the Vendor Risk Management Framework

### **Contracting**

- Develop standardized clauses on the Act and incorporate into all template contractual documents
- Establish procedure where changes to such clauses trigger procedural review before acceptance

### **Vendor Performance Management**

- Develop and incorporate slavery and human rights considerations for Vendor performance management processes
- Perform systematic assessment of slavery and human rights related risk level

### **Training**

- Develop training and awareness program for staff
- Ensure vendors have awareness of the Act and PRPA's vendor conduct requirements
- Require contract managers and responsible executives to annually confirm adherence to the Vendor Risk Management Framework

The list of areas of consideration and possible actions shown above is preliminary at the writing of this report. It is also likely to be too ambitious to achieve in full within the next reporting period. It is, however, an indication of the PRPA's commitment to compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and support of Canada's objectives to combat oppressive labour internationally