



# Canada Energy Regulator

## Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

2024-2025



## REPORT TITLE

**Canada Energy Regulator (CER) - 2025 Annual Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act**

## SUBMISSION INFORMATION

This report is submitted on behalf of Canada Energy Regulator (CER) and covers activities from April 1, 2024, to March 31, 2025.

## ANNUAL REPORT

This report template is designed to assist government institutions gathering information and preparing reports to respond to the requirements set forth in subsection 6(1) and subsection 6(2) paragraphs (a) – (g) of the Supply Chains Act.

**Structure, activities and supply chains**



**Indicate which of the following describes your government institution's structure:**

- parent Crown corporation

**Describe how your government institution engages in the following activities\*:**

- Purchasing goods
  - in Canada
  - outside Canada

The Canada Energy Regulator (CER) is a departmental corporation and agent of the Crown established under the Canadian Energy Regulator Act.

Its mission is regulating infrastructure to ensure safe and efficient delivery of energy to Canada and the world, protecting the safety of people and the environment, recognizing, and respecting the rights of the Indigenous peoples of Canada, and providing timely and relevant energy information and analysis.

The CER mainly procures essential goods, including IT equipment, office supplies and office furniture, as well as both professional and non-professional services.

At CER, approximately 16.38% of the annual value of our purchases was made using 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 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.

At CER, approximately 80.00% of the annual value of our purchases were made using Shared Services Canada (SSC) tools such as Standing Offers and Supply Arrangements.

Since November 2021, SSC has 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. Furthermore, as of November 20, 2023, all SSC Standing Offers and Supply Arrangements that have been issued, amended, or refreshed include anti-forced labour clauses as part of the general conditions for goods.



As such, all our contracts for goods resulting from the use of SSC's tools include PSPC's clauses relating to forced labour, which outline, among other things, human rights and labour rights requirements.

During this reporting period approximately 3.62% of the annual value of our purchases was purchased under our own procurement authority (goods purchases under \$25K) in the following instances:

- 1) Photographic Projection Equipment (GSIN#6730)
- 2) Miscellaneous Furniture and Fixtures (GSIN#7195)
- 3) Miscellaneous Office Machines (GSIN#7490)
- 4) ADP Software (GSIN#7030)
- 5) Digital Maps, Charts and Geodetic Products (GSIN#7644)

**Steps to prevent and reduce risks of forced labour and child labour**



**Describe the steps your government institution has taken in 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 the government institution.**

The CER has integrated PSPC's Standard Contract Clauses including PSPC's Code of Conduct for Procurement and anti-forced labour clauses in our purchasing activities.

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

- 1) Standing Offers
- 2) Supply Arrangements
- 3) Anti-forced labour contract clauses

PSPC has developed awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. The materials are progressively becoming available on the [canada.ca website](https://www.canada.ca).

CER has used PSPC's awareness materials to guide our suppliers and safeguard our supply chains from forced labour and child labour.

Furthermore, we are referring our procurement personnel to these materials for awareness.

The April 1, 2023, amendments to the Treasury Board Directive on the Management of Procurement required several contracting authorities to incorporate the Code of Conduct for Procurement ("the Code") into their procurements. In compliance with these amendments, SSC has integrated the Code into its procurements.

To prevent and reduce the risk of forced labour or child labour in our procurements, the CER has used the following list of SSC's tools to which the Code applies:

- 1) Standing Offers
- 2) Supply Arrangements
- 3) Contracts

As a common service provider, SSC is responsible for ensuring that government departments have access to reliable, secure, and cost-effective IT infrastructure and solutions, including shared services related to networks and network security, data centres and Cloud offerings, digital communications, and IT tools.

The CER also undertakes activities under its own procurement authority, independently of the aforementioned SSC tools. During the previous fiscal year, we purchased goods under our own procurement authority in the following areas:

- 1) Photographic Projection Equipment (GSIN#6730)
- 2) Miscellaneous Furniture and Fixtures (GSIN#7195)



- 3) Miscellaneous Office Machines (GSIN#7490)
- 4) ADP Software (GSIN#7030)
- 5) Digital Maps, Charts and Geodetic Products (GSIN#7644)

## Policies and due diligence processes in relation to forced labour and child labour

**Indicate whether your government institution has policies and/or due diligence processes in place related to forced labour and/or child labour and, if applicable, describe these policies and/or processes.**

The CER 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 included the Code through the General Conditions for goods.

Moreover, the CER utilizes the PSPC Integrity Regime tool to evaluate vendor performance prior to awarding contracts exceeding \$10K, ensuring contractors' compliance with the Code of Conduct for procurement. Outside of the Code, the CER currently has no further policies and due diligence processes in place related to forced labour and/or 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 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.

The Code requires that vendors, providing goods to the Government of Canada and their subcontractors, 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.

Pursuant to the aforementioned amendments, our agency has continued to integrate 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 included the Code through the General Conditions for goods.

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.



## Identifying parts of your institution's activities and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage those risks

### **Indicate in your report whether your government institution has identified the parts of its activities and supply chains that carry a risk of forced labour or child labour being used.**

The CER has identified risks to the best of our knowledge and will continue to strive to identify emerging risks. As more awareness, training and resources become available on the subject, any signs of forced or child labour will be addressed.

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.

We took note of the findings and recommendations of this risk analysis, and are monitoring related follow-action, including the implementation of the Policy on Ethical Procurement and the development of a human rights due diligence framework.

SSC is committed to ongoing risk identification, promotion and development of mitigation practices, and ongoing activities to raise awareness within its procurement community and engage with industry and strategic partners.

## Measures taken to remediate any forced labour or child labour

### **Indicate whether your government institution has taken any measures to remediate any forced labour or child labour in its activities and supply chains**

Apart from incorporating PSPC's Standard Contract Clauses - including PSPC's Code of Conduct for Procurement and anti-forced labour clauses - the CER has not identified or implemented any additional measures to address or remediate the risks of forced labour or child labour within its operations or supply chains. As more awareness, training and resources become available on the subject, any signs of forced or child labour will be addressed.



## 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

**Indicate in your report whether your government institution has 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.**

The CER 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/or supply chains. As such, no measures have been taken to remediate the loss of income for the most vulnerable families.

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

**Indicate whether your government institution currently provides training to employees on forced labour and/or child labour.**

While CER does not currently provide training to employees specific to address risk of forced labour and child labour, we are taking the effort to have training material available for employees making contracting or purchasing decisions, such as the Procurement Fundamentals course available through the Canada School of Public Service.

We are aware that PSPC has developed and is currently piloting a course for procurement officers. We will leverage the course upon its publication for use across the Government of Canada.

SSC is committed to ongoing risk identification, promotion and development of mitigation practices, and ongoing activities to raise awareness within its procurement community and engage with industry and strategic partners.

## Assessing effectiveness in ensuring that forced labour and child labour are not being used in activities and supply chains



**Indicate whether your government institution currently has 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. If applicable, describe the methods used by your government institution to assess its effectiveness.**

Currently, the CER does not have established internal policies or procedures to assess the effectiveness of its efforts to prevent the use of forced labour and child labour in its activities and supply chains. Given that the majority of purchases are made through PSPC and SSC using their contracting tools, such as SAs and SOs, the agency is closely monitoring the guidance and resources they develop. These resources will be integrated into the creation of CER's own assessment plan.