

DFO Reporting under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

April 2025



REPORT TITLE

The Department of Fisheries and Oceans Canada (DFO), including the Canadian Coast Guard - 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 DFO and covers activities from April 1, 2024, to March 31, 2025.



DFO ANNUAL REPORT

Structure, activities and supply chains

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

- Federal department or agency

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

- Purchasing goods
 - in Canada
 - outside Canada

The Department of Fisheries and Oceans Canada (DFO), including the Canadian Coast Guard's mandate is set out in the *Department of Fisheries and Oceans Act*, which gives DFO responsibilities for:

- sustainably managing fisheries and aquaculture
- working with fishers, coastal and Indigenous communities to enable their continued prosperity from fish and seafood
- ensuring that Canada's oceans and other aquatic ecosystems are protected from negative impacts
- ensuring commercial vessels and recreational boaters can safely navigate our waters
- being there to save lives and protect our environment when emergencies arise

DFO is designated as a department of the Federal Public Administration by Schedule I of the Financial Administration Act (FAA) and, as such, is subject to the Government of Canada's legislative and policy framework for contracting and procurement. Therefore, DFO's procurement and contracting practices are governed by a legislative policy framework, which includes the FAA, the Government Contracts Regulations, the Treasury Board (TB) Policy on the Planning and Management of Investments, the TB Directive on the Management of Procurement and the TB Guidelines on the Proactive Disclosure of Contracts.

Departmental contracting authority is referenced in the Delegation of Spending and Financial Authorities. Most of the contracting authorities are delegated to positions in Procurement Services and selected Designated Procurement Officials (Business Owners). Designated Procurement Officials are operational managers who have been sub-delegated specific contracting authorities to facilitate operations. Procurement Services is responsible for providing adequate training and support.

Procurement and contracting activities in DFO are partially decentralized. Procurement activities above Business Owners' contracting delegation and within departmental limits are executed



within DFO Procurement Services. Contracts (including amendments) with amounts in excess of departmental limits must be requisitioned through Public Services and Procurement Canada (PSPC) or Shared Services Canada (SSC).

Procurement of goods below \$10,000 are typically procured and paid via acquisition cards. PSPC is responsible for procuring goods above \$25,000 where no standing offer or supply arrangement exist.

Between April 1, 2024, and March 31, 2025, DFO procured goods with a total awarded contract value of \$6.630 billion. These contracts were awarded using both the departmental procurement authority as well as Common Service Providers (PSPC and SSC) when departmental authorities were exceeded. Under its departmental contracting authority, DFO issued contracts for goods valued at \$163.4 million broken down across the following top 10 commodities (by contract value):

Commodity Description	Procurement Value (contract value at award)
Fuels (Diesel, Marine and Other)	\$82,404,716.16
Laboratory and scientific equipment	\$9,142,470.00
Research vessel	\$8,193,705.00
Light trucks or sport utility vehicles	\$4,712,833.00
Buoy	\$3,320,023.24
Food Beverage and Tobacco Products	\$2,050,386.28
Communications Devices and Accessories	\$1,898,661.44
Radio communication monitoring system	\$1,772,691.68
Radio frequency data communication equipment	\$1,697,530.72
Structural building products	\$1,583,731.44

Are these goods sourced from inside or outside Canada?

The majority of the goods procured under DFO's contracting authority are awarded to Canadian vendors. In total, 93.8% of the total contracts awarded by volume and 95.5% of contract value were awarded to Canadian vendors.

During fiscal year 2024-25, approximately 64.4% of the annual contract awarded for goods purchases were made using PSPC tools such as Standing Offers and Supply Arrangements.



In 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 DFO 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.

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.

DFO applies and implements all directives and guidelines set out in the Directive on the Management of Procurement, including requirements relating to the Supply Chains Act

DFO has integrated PSPC's Standard Contract Clauses including PSPC's Code of Conduct for Procurement and anti-forced labour clauses in its purchasing activities to prevent and reduce the risk of forced or child labour in its purchasing activities.

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

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

To promote considerations under the Supply Chain Act, DFO Procurement Services has made a significant enhancement to its Procurement Intake form, a mandatory document. The form now includes a question requiring the requester to declare if they are aware of any elements within the supply chain involved in the production of goods being purchased that may pose a risk of forced labour or child labour. This addition enables contracting officers to track these considerations and serves to further raise awareness of the department's commitment to the Supply Chains Act.

This change not only helps in monitoring compliance but also underscores the department's dedication to ethical procurement practices. By integrating this question into the Procurement Intake form, DFO Procurement Services is actively contributing to the fight against forced labour and child labour, ensuring that supply chain integrity is maintained.



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

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.

Yes.

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 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 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.

Pursuant to the aforementioned amendments, DFO has continued to integrate the Code into its procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour. Contracts that DFO 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.

Yes, DFO has started the process of identifying risks, but there are still gaps in the assessments.

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.

DFO has incorporated the GSIN-based risk analysis from the University of Nottingham's research into the departmental analysis. The assessment of total purchasing activity for fiscal year 2024-25 reveals that 0.86% of commodities carry a heightened risk of forced or child labour. Examples of these high-risk commodities include instruments and laboratory equipment, ship, small craft, pontoons and floating docks and Alarm, Signal and Security Detection systems.

Risk Level	Procurement Value	% Breakdown
Lower Risk	\$7,115,231,034.49	99.14%
High Risk	\$61,613,798.88	0.86%
Grand Total	\$7,176,844,833.37*	100.00%

*Note, this number represents the departmental total spend.

Indicate the aspects of your activities and/or supply chains that have been identified as carrying forced labour or child labour risks.

Not Applicable.



Indicate whether your government institution identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries:

- 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

No, DFO has not identified any instances of forced labour or child labour in the department's activities and supply chains.



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. For example, you may include one of the following statements:

DFO has not identified any forced labour or child labour in our activities and supply chains.

If you have taken remediation measures, describe them. For example, you may include information related to the following measures, and elaborate on your response as needed:

Not applicable.

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.

DFO 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.

DFO has taken steps to enhance employee awareness and training on obligations related to forced and child labor. Recognizing the importance of broader dissemination, DFO intends to expand these sessions in the coming year to incorporate this critical information. Furthermore, Public Services and Procurement Canada (PSPC) has developed a specialized course for procurement officers, which is currently in its pilot phase. Upon its publication, DFO will leverage this course for adoption across the Government of Canada to ensure consistent and comprehensive training.

Training is voluntary.

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.

In the current reporting period, DFO has focused on building foundational awareness of forced and child labour risks by providing training to its employees. This training aims to equip staff with the knowledge and skills necessary to identify and address such risks in supply chain activities. While DFO has yet to implement audits, risk assessments, supplier policies, or remedial measures, these initiatives are under development as part of its long-term strategy to ensure compliance with labour standards.