



Housing, Infrastructure  
and Communities Canada

Logement, Infrastructures  
et Collectivités Canada

## Housing, Infrastructure & Communities Canada

2024-25

*Bill S-211, An Act to enact the Fighting Against Forced  
Labour and Child Labour in Supply Chains Act and to  
amend the Customs Tariff*

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## Background

This report has been developed as a response to the reporting obligations under *the Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) came into force on January 1, 2024.

The Act stipulates that any government institution producing, purchasing or distributing goods in Canada or elsewhere must, on or before May 31 of each year, make a report publicly available on its measures to reduce forced labour and child labour.

The purpose of Bill S-211 is to reduce the use of forced labour and child labour in supply chains by increasing transparency in these supply chains.

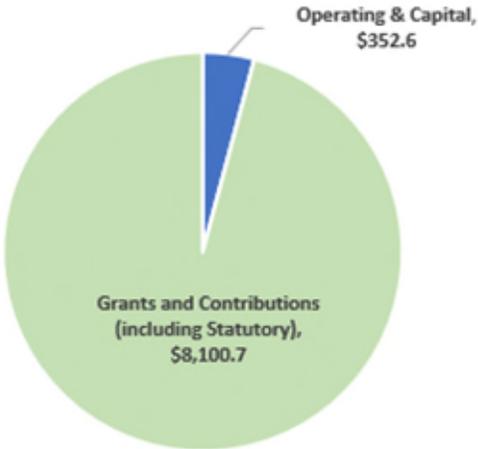
The 2024-2025 report covers the financial year beginning on April 1, 2024, and ending on March 31, 2025.

# Structure and Activities

The mission of Housing, Infrastructure & Communities Canada (HICC) is to improve the quality of life of Canadians by creating jobs and economic growth, supporting climate resilience, and building a stronger and more inclusive Canada. HICC makes significant investments in public infrastructure and housing, builds public-private-partnerships, develops policies and delivers programs to improve the lives of all Canadians.

To develop and deliver programs effectively, the department relies on key partnerships with provinces, territories, municipalities, private sector companies and non-profit organizations, along with other federal departments and agencies. In fiscal year 2024-25, the department had a total of 1,598 Full-Time Equivalent (FTEs) employees and had a total authority of \$8,453.3 Million (figure 1).

Figure 1 : HICC's Funding Envelope (in Millions)

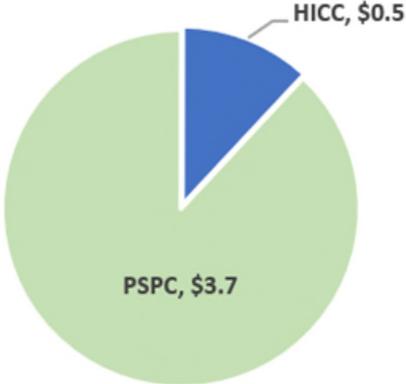


The management of the supply chain and the procurement of goods related to HICC's funding envelope is fairly limited from a departmental standpoint given that the vast majority of the funding is tied to Grants and Contributions (95%) for which HICC's stakeholders are responsible for the management of the supply chain and procurement of goods. HICC has a total operating envelope of \$352.6M of which \$4.2M was for the purchases of goods done under its own authority and was predominantly tied to office supplies and furniture as well as information management and information technology to support the 1,598 HICC FTEs.

# Supply Chain

In fiscal year 2024-25 HICC signed a total of \$4.2M worth of goods contracts primarily tied to the purchasing of computers, monitors, mice, and the buy-out of office furniture. All contracts—except two totalling \$501K, were purchased through Government of Canada-wide standing offer or supply arrangements managed by Public Services and Procurement Canada (PSPC) (Figure 2). These standing offers or supply arrangements are offers from potential suppliers to provide goods and/or services at pre-arranged prices, under predetermined terms and conditions that take into consideration anti forced labour clauses implemented by PSPC.

Figure 2 : Purchasing Contracting Entity (in millions)



Above the contracts noted above, the department also purchased goods through departmental acquisition cards (maximum \$10K per transaction), such as office supplies, ergonomic furniture and some specialized IT equipment for ergonomic needs. While the recommended procurement vehicle remains the PSPC standing offers, acquisition cardholders have the ability to acquire the goods through other means.

## Steps to prevent and reduce the risk of forced labour or child labour:

### Steps taken to prevent forced labour

In fiscal year 2024-25, HICC created a new procurement framework that establishes best practices, guidelines and the responsibilities of the business owner aligned with new TBS procurement directive, bill S-211 and recent Office of the Auditor General audits on green and indigenous procurement. Every business owner needs to look beyond value for money and also take into account their social obligation. HICC framework provides guidance and best practices around using Government wide

standing offers, promoting local indigenous vendors and being aware of the supply chain. Being a smaller department with goods requirement primarily tied with office supplies and equipment, the most important tool for the department to combat forced or child labour is to always promote the use of PSPC's standing offer or 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.

Last year's report identified acquisition card purchases as an area of risk for which the department also created an action plan around training and information sharing to card holders throughout the department. The department provided a fulsome training to all acquisition card holders focused on best practices around selecting vendors, looking at supply arrangements and providing suggested retailers.

The risk and impacts of forced labour associated with HICC's procurement of goods can be considered as low since approximately 88% of the annual value of the departmental purchases were made through the use of PSPC tools such as standing offers and supply arrangements who have implemented an anti-forced labour action plan. The \$501K purchased outside of standing offer were from a reputable firm with a documented Sedex Members Ethical Trade Audit (SMETA) on their Shanghai plant dating from 2024 and demonstrated full compliance with SMETA 2-Pillar audit requirements.

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

From a government-wide perspective, 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, HICC has integrated the Code into the department’s procurement, 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 subcontractors, comply with all applicable laws and regulations. In addition, the Code requires vendors and their subcontractors 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.

### **Parts of its activities and supply chains that carry a risk of forced labour or child labour being used and the steps it 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. Though HICC does not procure a large amount of goods, the largest risk to HICC's supply chain is related to the manufacturing of goods. HICC's purchases are primarily linked to informatic equipment and office goods for which the department does recommend using the PSPC standing offers or supply arrangements but that decision remains at the manager's discretion.

We have familiarized ourselves with information on the risk assessment provided by PSPC, and are monitoring related follow actions, including the development of a *Policy on Ethical Procurement*.

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

HICC will socialize its procurement framework in 2025-26 and further expand on its acquisition card training. The department is aware that PSPC is 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.

## **Next Steps**

HICC remains attentive to updated guidance on best practices regarding purchases of various information technology and information management and other goods, and for any additional resources made available to minimize procurement risks. As mentioned in the report, HICC's procurement of goods is low risk with the majority of its purchases using pre-existing tools that already have a framework around mitigation measures to forced labour built around it. However, HICC acknowledges that there is always room for continuous improvement and an opportunity to de-risk purchases and will continue to leverage awareness and training.