



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

Financial Year Ended August 31, 2023

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## Introduction

In accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), NAV CANADA (also referred to herein as “we”, “us” or “our”) is pleased to present its first forced labour and child labour report (the “Report”), covering the financial reporting period of September 1, 2022 to August 31, 2023 (“FY23”).

This Report outlines the efforts and actions NAV CANADA has taken over the reporting period in its approach to identify and understand the risk of forced labour and child labour in its operations and supply chain and to strengthen its controls in order to reduce and mitigate these risks.

## About NAV CANADA

NAV CANADA was continued under the *Canada Not-for-profit Corporations Act* on January 17, 2013 after being originally incorporated on May 26, 1995 as a non-share capital corporation under Part II of the *Canada Corporations Act*. Our head office is located at 151 Slater Street, Suite 120, Ottawa, Ontario K1P 5H3.

NAV CANADA is the private sector, non-share capital company that operates Canada’s civil air navigation system (the “ANS”) throughout Canada. Our services are provided to aircraft owners and operators within Canadian-controlled airspace and include air traffic control, flight information, weather briefings, airport advisories, aeronautical information and navigation aids. Our core business is to manage and operate the ANS and related services in a safe, efficient and cost-effective manner.

## Our Approach

NAV CANADA maintains an unwavering commitment to human rights and to its Shared Purpose of keeping Canada’s Skies Safe that includes the supporting pillars of Safety is at the Core and Partnerships are Essential, which are fundamental to our sustainability and our future. Taking action to mitigate the risk of forced labour and child labour is an integral part of this commitment.

NAV CANADA has been a signatory of the United Nations Global Compact (“UNGC”) since 2022. The UNGC provides an international framework for organizations to align their strategies, practices and operations with ten universal principles on human rights, labour, the environment and anti-corruption. NAV CANADA has used the UNGC and the related United Nations Sustainable Development Goals as a framework to support the development of its Environmental, Social and Governance (“ESG”) strategy.

## Measures to prevent and reduce the risks of forced and child labour

In seeking to prevent and reduce the risk that forced labour or child labour was used in our operations and supply chain, NAV CANADA took the following measures in FY23:

- conducted a high-level internal assessment of the risks of forced labour or child labour in our operations and supply chain;
- updated the NAV CANADA Supplier Code of Conduct (“Supplier Code”) to directly incorporate provisions and principles of the Act; and
- in compliance with our policies, continued conducting due diligence of our potential suppliers before entering into contracts with them.

Also in FY23, NAV CANADA engaged a consultant to perform a benchmarking analysis of our Supply Chain Sustainability Strategy, which will define the purpose, scope and objectives of Supply Chain’s ESG initiatives and outline corresponding actions, key targets and metrics with a focus on supplier engagement and performance. Among other things, the consultant conducted a current state maturity assessment of NAV CANADA’s ESG and supply chain framework that included a collaborative workshop to identify opportunities to achieve our desired future state maturity of having a leading ESG program within our Supply Chain department.

## Our Supply Chain

NAV CANADA’s operations are based in Canada, which, according to the Walk Free Foundation’s Global Slavery Index (“GSI”), has a low risk of vulnerability to forced and child labour and comparatively robust governmental oversight of the issue. Moreover, NAV CANADA’s workforce is governed by the applicable federal and provincial labour and employment standards, in addition to our policies and procedures that govern recruitment and labour sourcing.

Our suppliers primarily provide us with technology and software solutions we require in order to undertake our provision of air navigation services, as well as certain facilities, logistics, support personnel and office and other building supplies required to run our business.

In FY23, NAV CANADA conducted a high-level internal risk assessment of its supply chain to identify suppliers and countries that may be susceptible to practices that perpetuate any form of forced or child labour. The GSI was used for this exercise. The risk assessment concluded that over 95% of our first-tier suppliers are based within Canada. Canada ranks within the lowest risk range of countries in terms of forced labour and child labour prevalence according to the GSI. Canada also ranks within the group of countries who have taken the most action to combat forced labour and child labour. The risk assessment also confirmed that none of NAV CANADA’s international first-tier suppliers are located in countries identified by the GSI as having a high prevalence of forced or child labour.

All new suppliers are subject to appropriate due diligence prior to trading with us. Due diligence includes identifying legal or other risks and screening suppliers to help assess if they are the subject of adverse media on issues which may be of concern.

## Policies

The following NAV CANADA policies reinforce our commitment to addressing forced and child labour:

## Supplier Code

NAV CANADA is committed to sourcing responsibly and considers all activities in its supply chain that could lead to human rights abuses as unacceptable. The Supplier Code encompasses our commitment to ethical business dealings and the requirement of supplier adherence to same. Pursuant to NAV CANADA contractual requirements, any supplier seeking to do business with NAV CANADA must comply with the Supplier Code or an acceptable equivalent. The Supplier Code is principle based and sets out our expectations of suppliers with a goal of aligning supplier behaviours to NAV CANADA standards in the following key areas: business conduct, responsible business practices, responsible treatment of individuals and respect for the environment. The Supplier Code includes provisions on human rights and labour, including forced and child labour, health and safety matters and ethical behaviours. The Supplier Code seeks to promote transparency and accountability in the supply chain and ensure its principles are considered as part of our procurement and purchasing decisions. NAV CANADA is committed to working with our suppliers to support compliance with the Supplier Code, including through a contractual right to seek confirmation or to audit to verify whether a supplier meets Supplier Code expectations.

## Code of Business Conduct (“CBC”)

The CBC maintains and requires a high standard of ethical behaviour from NAV CANADA personnel. The CBC is intended to help employees maintain the high standard of ethical behaviour expected of a company entrusted with public safety. The CBC addresses compliance with applicable laws, including human rights and privacy, violence prevention, discrimination and harassment prevention, fair dealing with people and organizations and reporting violations of the CBC. Throughout the CBC, employees are directed to appropriate internal review and redress mechanisms available within NAV CANADA to address specific situations and potential violations. NAV CANADA expects its suppliers to respect the CBC.

## Whistleblower Policy

The Whistleblower Policy supports NAV CANADA’s corporate values and ethical environment. NAV CANADA requires employees and persons and organizations working at or on behalf of NAV CANADA to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of NAV CANADA must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws. The Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that NAV CANADA can address and correct inappropriate conduct. This policy also includes guidance on how individuals can anonymously and confidentially report actual or potential misconduct through an independent whistleblowing system called SENTINEL.

Other NAV CANADA policies such as the Harassment & Violence Prevention Policy and Occurrence Resolution, the Anti-Corruption Policy and the Enterprise Sourcing & Procurement Policy also contribute to the mitigation of any form of exploitation and unethical behaviour occurring within our operations and supply chain.

# Effectiveness and Next Steps

NAV CANADA recognizes that the embedding of responsible business conduct into our policies and practices is critical to our continuing efforts to strengthen our ability to assess our forced and child labour risks and evaluate the effectiveness of NAV CANADA's policies and practices in this area. NAV CANADA is committed to the continuous improvement of its supply chain due diligence practices to reduce and prevent risks of forced and child labour.

Activities NAV CANADA has planned for the financial year ending August 31, 2024 ("FY24") include the evaluation of a third-party risk reporting and tracking software and the introduction of a targeted supplier questionnaire on ESG strategies that will require suppliers to provide specifics on actions they have taken to combat forced and child labour. NAV CANADA will also further develop its Supply Chain Sustainability Strategy in FY24.

# Approval

This Report has received approval from NAV CANADA's Board of Directors.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have authority to bind NAV CANADA.



Raymond G. Bohn  
Director, President and Chief Executive Officer  
NAV CANADA

May 23, 2024