

2026 Annual Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Environment and Climate Change Canada

May 2026



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Climate Change, 2026

Annual Report

Financial reporting year

This is the original report by Environment and Climate Change Canada (ECCC) covering the activities of fiscal year 2025-26 (from April 1, 2025, to March 31, 2026).

Structure, activities and supply chains

ECCC is the lead federal department for strategic action on a wide range of environmental matters, including clean growth and climate change, preventing and managing pollution, conserving nature, and predicting weather and environmental conditions. The Department's program focus reflects the interdependence of environmental sustainability and economic well-being. ECCC works in partnership with provincial, territorial and municipal governments, Indigenous partners, and communities to deliver important programs and services that are essential to ensuring the health and well-being of Canadians and the environment, in a manner that respects the Government of Canada's commitment to openness, effectiveness and transparency in government.

Under the *Department of the Environment Act*, the powers, duties and functions of the Minister of Environment and Climate Change extend to matters such as:

- the preservation and enhancement of the quality of the natural environment, including water, air and soil quality, and the coordination of the relevant policies and programs of the Government of Canada
- renewable resources, including migratory birds and other non-domestic flora and fauna
- meteorology; and
- the enforcement of rules and regulations

ECCC's workforce target, as described in the Departmental Plan for 2025-26, was of approximately 8,392 employees located across every province and territory.

Over the financial reporting year 2025-26, ECCC entered into an estimated \$161M in procurement contracts and amendments (services, goods, and construction included).

Of this total, ECCC acquired \$36.3M in goods, of which 78% of this value was acquired from Canadian suppliers. These acquisitions ranged across a variety of different commodities,

including but not limited to informatics equipment and hardware (N7025), scientific and laboratory equipment (N6640, N6630, N6600), meteorological instrument (N6660), office chairs (N7110C), gases (N6830), vehicles (N2300, N2320), and various miscellaneous goods required to support ongoing departmental operations.

Approximately 40.5% of the annual value of ECCC's goods purchases was made through the use of Public Services and Procurement Canada (PSPC) Standing Offers and Supply Arrangements and 4.4% was made through the use of Shared Services Canada (SSC) Standing Offers and Supply Arrangements.

Since November 2021, PSPC and SSC have implemented anti-forced labour clauses in all goods contracts to ensure that departments can terminate contracts when there is credible information that the goods were produced, in whole or in part, by forced labour or human trafficking. Furthermore, since November 20, 2023, all PSPC and SSC Standing Offers and Supply Arrangements for goods that have been issued, amended, or refreshed now include anti-forced labour clauses. Finally, on December 13, 2024, the anti-forced labour requirements were expanded to include new procurement clauses to be used in services, research and development, and architecture and engineering contracts.

The background and overview of the anti-forced labour requirements for goods and services contracts, standing offers and supply arrangements are consolidated in the [PSPC Supply Manual Annex 2.8 – Anti-forced labour requirements](#).

As such, all of ECCC's contracts resulting from the use of these tools include clauses relating to anti-forced labour which set out, among other things, human rights and labour rights requirements. And by the end of fiscal year 2025-26, ECCC transitioned to PSPC's Contract Modernization Instrument (CMI) Word Add-in in the assembly of its contractual documents. This transition ensures that Contracts and Request for Proposal templates incorporate the most up-to-date clauses, including those of anti-forced labour legislation. By implication, this means that all future contracts will also now integrate the most up-to-date anti-forced labour clauses.

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

ECCC has integrated PSPC's CMI Word Add-in for its contractual documents, including PSPC's [Code of Conduct for Procurement](#) and anti-forced labour clauses in its purchasing activities.

The Code of Conduct for Procurement identifies specific expectations and obligations which suppliers must meet when providing goods and services to Canada. This includes obligations in terms of human trafficking, forced labour and child labour.

In addition to this, ECCC applies PSPC's [Ineligibility and Suspension Policy](#) for all

its contracts over \$10K. Officers are required to complete a mandatory compliance verification with PSPC before awarding a contract, to verify if there are grounds for supplier ineligibility or suspension. PSPC manages the public Ineligibility and Suspension list of suppliers; this includes suppliers who may have been deemed ineligible due to criminal or forced labour practices.

In addition to PSPC, SSC, as a common service provider, 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.

To prevent and reduce the risk of forced labour or child labour in its procurement activities, ECCC has updated its solicitation and contracting templates and used the following list of PSPCs tools:

- Standing Offers
- Supply Arrangements
- PSPC contracts that contain anti-forced labour contract clauses
- CMI Word add-on for contractual documents

And the following list of SSC's tools, which incorporate by reference the Code of Conduct for Procurement:

- Standing Offers
- Supply Arrangements
- SSC Contracts that contain anti-forced labour contract clauses

Policies and due diligence processes in relation to forced labour and 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](#) (except 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 applies to all vendors and their subcontractors who respond to bid solicitations and/or provide goods and services to Canada. In fulfilling the terms of their contracts, vendors and their subcontractors are required to comply with all applicable laws and regulations. In addition, the Code requires vendors and their subcontractors to alert their contracting authority as soon as they are made aware that they may not comply with the Code.

Contracts that ECCC has awarded included the Code through the General Conditions, and all templates were updated by the end of fiscal year 2024-25. With the integration of the PSPC's Word add-on, ECCC has ensured that it will work with the latest updated clauses from now on.

PSPC's Human Rights Due Diligence (HRDD) framework is a holistic and ongoing process. It includes activities that prevent and help manage risks of human trafficking, forced labour and child labour in federal supply chains. ECCC will closely monitor the development of PSPC's commitments in this area, and will work alongside PSPC to increase awareness, identification, mitigation and reporting of human trafficking, forced labour and child labour in federal supply chains.

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 ECCC's activities and supply chains that carry a risk of forced labour or child labour being used and remedial measures implemented

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.

Over fiscal year 2025-26, ECCC continued to monitor follow-up action from the report findings and recommendations, including the implementation of the Policy on Ethical Procurement. PSPC's Human Rights Due Diligence (HRDD) framework was implemented and based on the experience and lessons learned from PSPC, ECCC will continue growing its knowledge and implement changes to its contracting practices, as and where appropriate.

For IT hardware procurement, ECCC is also working closely with its partner at SSC, who 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.

ECCC continues to grow its knowledge and awareness; however, it has not yet identified any risks in its activities and supply chains for forced labour or child labour, and therefore has not taken any remediation measures, including the loss of income for the most vulnerable families.

Training provided to employees on forced labour and child labour

In January 2026, ECCC designated the Canada School of Public Service (CSPS) Introduction to Ethical Procurement (CHC118) course mandatory for all its procurement officers, and 89% have already completed it. ECCC is targeting a completion rate of 100% by the end of the second quarter of 2026-2027. ECCC has key employees attend workshops and information sessions regarding forced labour and child labour to keep up to date on governmental development and reporting.

ECCC integrated forced labour and child labour awareness as part of its standard generic procurement training session for its employees (Procurement 101) during the 2024-25 financial reporting period. An additional 5 sessions, on top of the 17 from last year, were delivered in fiscal year 2025-26, to audiences of approximately 40 employees per session, for a combined total of 200.

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

Over the course of the 2025-26 financial period, ECCC transitioned to PSPC's Word add-on for its contracting documents to ensure these were, and continue to be, compliant with the latest legislation. ECCC also designated the Introduction to Ethical Procurement course as mandatory for its procurement officers and delivered training on forced labour in Canadian supply chains to departmental managers, delegated authorities and administrative staff, to raise awareness around these issues and to eliminate, reduce, or mitigate the use of human trafficking, forced labour and child labour in ECCC supply chains.

Moving forward, ECCC plans to continue to work with its federal partners, including PSPC and SSC, to ensure that assessment measures in place are reflective of best practices within federal government institutions.

Attestation on behalf of the reporting institution

- Environment and Climate Change Canada

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 or entities 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.

This report is signed in my capacity to bind Environment and Climate Change Canada.

Johnson,
Mollie

Digitally signed
by Johnson,
Mollie
Date: 2026.06.01
08:15:06 -04'00'

Mollie Johnson
Deputy Minister, Environment and Climate Change Canada