



**Government Institutions' Annual Report:
*Fighting Against Forced Labour and Child
Labour in Supply Chains Act***

Environment and Climate Change Canada

May 2024

PART 1: IDENTIFYING INFORMATION

Name of Government Institution

Environment and Climate Change Canada (ECCC)

Financial Reporting Year

Fiscal year 2023-24 (April 1, 2023 – March 31, 2024)

Status of Report (revised or original)

This is the original report submitted on May 31, 2024 by ECCC

PART 2: REPORT CONTENTS

2.1 Information on the government institution's structure, activities, and supply chains

*** Which of the following accurately describes the government institution's activities?**

- Producing goods (including manufacturing, extracting, growing, and processing)
 - in Canada
 - outside Canada
- Purchasing goods
 - in Canada
 - outside Canada
- Distributing goods
 - in Canada
 - outside Canada

ECCC is involved in the **purchasing** of goods. Acquired goods are sourced from suppliers both inside Canada and outside Canada.

*** Additional information on the government institution's 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 ECCC extend to matters such as:

- the preservation and enhancement of the quality of the natural environment, including water, air and soil quality;
- renewable resources, including migratory birds and other non-domestic flora and fauna;
- water;
- meteorology;
- the enforcement of any rules or regulations made by the International Joint Commission, promulgated pursuant to the treaty between the United States of America and His Majesty, King Edward VII, relating to boundary waters and questions arising between the United States and Canada, in so far as they relate to the preservation and enhancement of the quality of the natural environment; and
- the coordination of the policies and programs of the Government of Canada respecting the preservation and enhancement of the quality of the natural environment.

Over the course of financial reporting year 2023-24, ECCC conducted an estimated total of \$176 M in procurement contracts (services, goods, and construction included). Of this total, ECCC acquired approximately \$52 M in goods, across a variety of different commodities including, but not limited to, informatics equipment and hardware, scientific and laboratory equipment, meteorological equipment, vehicles, software licenses, office equipment and

furniture, chemicals and gases, and various miscellaneous goods required to support ongoing departmental operations.

At ECCC, approximately 29% of the annual value of purchases were made through the use of Public Services and Procurement Canada (PSPC) tools such as Standing Offers (SOs) and Supply Arrangements (SAs).

Since November 2021, PSPC implemented anti-forced labour clauses in all goods contracts to ensure that contracts could be terminated where there was credible information that the goods had been produced in whole or in part by forced labour or human trafficking. Additionally, since November 20, 2023, all PSPC SOs and SAs for goods that had been issued, amended, or refreshed now include anti-forced labour clauses.

As such, all ECCC's goods contracts 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 ID 150 – Anti-forced labour requirements](#).

In addition to the above, ECCC awarded approximately \$104 M in services contracts during the 2023-24 fiscal year, which is almost 60% of all its contracts. All of the services contracts included references to the Code of [Code of Conduct for Procurement](#) as well clauses relating to forced labour and child labour.

2.2 Information on the steps taken 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.

*** Indicate steps taken in the 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.**

ECCC integrated PSPC's General Conditions and PSPC's [Code of Conduct for Procurement](#) into the majority of its purchasing activities. The Code of Conduct for Procurement identifies expectations and obligations that suppliers must meet when providing goods and services to Canada. This includes obligations in terms of human trafficking, forced labour and child labour.

While PSPC supports government institutions in their daily operations by acting as the central purchasing agent for the Government of Canada, ECCC undertakes activities under its own procurement authority, independent of PSPC SOs and SAs.

When undertaking procurements under its own authority, ECCC uses PSPC's updated General Conditions and PSPC's [Code of Conduct for Procurement](#) in its services contracts. ECCC is presently updating the General Conditions of its goods contracts in order to reference the Code, as a means to prevent and mitigate the risk of using forced or child labor in the future.

2.3 Information on the policies and due diligence processes in relation to forced labour and child labour

*** Does the government institution currently have 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.

Pursuant to the amendments, ECCC has integrated the Code into its procurements for services with a view to safeguarding federal procurement from forced labour and child labour. The General Conditions applicable to the procurement of goods are presently being updated to also include reference to the Code.

The Code requires that vendors, providing goods and services 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.

2.4 Information on the parts of its activities and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk

*** Has the government institution identified the parts of its activities and supply chains that carry a risk of forced labour or child labour being used?**

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.

While ECCC has not yet started the process of determining its risks, ECCC has familiarized itself with information on the risk assessment provided by PSPC, and is monitoring related follow-up actions, including the development of a *Policy on Ethical Procurement*.

2.5 Information on any measures taken to remediate any forced labour or child labour

*** Has the government institution taken any measures to remediate any forced labour or child labour in its activities and supply chains?**

This is not currently applicable as ECCC has not identified any forced labour or child labour in its activities and supply chains.

2.6 Information on any 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

*** Has the government institution 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?**

This is not currently applicable as ECCC 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 its activities and supply chains.

2.7 Information on the training provided to employees on forced labour and child labour

*** Does the government institution currently provide training to employees on forced labour and/or child labour?**

ECCC did not provide training to employees on forced labour and child labour during the 2023-24 financial reporting period, however ECCC is looking to integrate forced labour and child labour into its standard generic procurement training.

ECCC is aware that PSPC is currently developing awareness-raising guidance materials (including risk mitigation strategies) for suppliers, targeted towards high-risk sectors. ECCC is monitoring the development of these materials and will leverage these resources internally within the department upon their publication.

2.8 Information on how the government institution assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains

*** Does the government institution currently have 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?**

ECCC plans on continuing work with its federal partners, including PSPC, to ensure that assessment measures in place are reflective of the best practices within federal government institutions. New policies or procedures will also be developed, where appropriate, to ensure forced and child labor requirements are addressed.

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.

Tremblay, JF Digitally signed
by Tremblay, JF
Date: 2024.05.29
09:36:39 -04'00'

Jean-François Tremblay
Deputy Minister, Environment and Climate Change Canada