



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

Atlantic Canada Opportunities Agency
Annual Report – May 2026

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Table of Contents

Introduction	4
Submission information	5
Annual report.....	5
Structure, activities and supply chains	5
Steps to prevent and reduce risks of forced labour and child labour	6
Policies and due diligence processes in relation to forced labour and child labour	7
Parts of activities and supply chains carrying a risk of forced labour or child labour being used and steps taken to assess and manage those risks	8
Measures taken to remediate any forced labour or child labour.....	9
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 activities and supply chains.....	9
Training provided to employees on forced labour and child labour	9
Assessing effectiveness in ensuring that forced labour and child labour are not being used in activities and supply chains.....	9



Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* came into force on January 1, 2024. The purpose of this act is to increase industry awareness and transparency, and drive businesses to improve practices. The act demonstrates Canada's international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations on:

- government institutions producing, purchasing or distributing goods in Canada or elsewhere; and
- entities producing goods in Canada or elsewhere or importing goods produced outside Canada.

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, submit a report to the Minister of Public Safety. The report must detail the steps the government institution has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step in the production, purchase or distribution of goods by the government institution.

The act's reporting obligations also apply to entities producing goods in Canada or elsewhere or importing goods produced outside of Canada.

In keeping with the purpose of the act, the Atlantic Canada Opportunities Agency has prepared the following report to fulfill this reporting requirement.

Atlantic Canada Opportunities Agency (ACOA)

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

SUBMISSION INFORMATION

This report is submitted on behalf of ACOA and covers activities for the 2025-2026 reporting period, from April 1, 2025 to March 31, 2026.
This report is for a federal department or agency.

ANNUAL REPORT

This report represents ACOA's annual disclosure, in alignment with the reporting requirements set out in subsection 6(1) and paragraphs (a) to (g) of subsection 6(2) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Structure, activities and supply chains

ACOA promotes an innovative, diversified and inclusive Atlantic economy through investments in regional growth, including the commercialization and adoption of technologies, as well as community economic diversification. ACOA's main activities are the provision of grants and contributions to organizations, communities and businesses in support of economic development.

ACOA does not produce or distribute goods and therefore is not directly involved in the supply chain. However, the Agency does purchase goods that are involved in supply chains. ACOA purchases goods from within Canada and outside of Canada. Purchased goods are related to daily business activities, including office furniture and supplies, information technology equipment (computers, screens and accessories) and mobile phones. The Agency purchases these goods in volumes sufficient to support its employees.

At ACOA, approximately 43.3% of the annual value of purchases were made through the use of Public Service and Procurement Canada (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, all PSPC Standing Offers and Supply Arrangements for goods that have been issued, amended, or refreshed since November 20, 2023, include anti-forced-labour clauses.



As such, all of ACOA's 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.

At ACOA, approximately 5.2% of the annual value of purchases are made through the use of Shared Services Canada (SSC) tools such as Standing Offers and Supply Arrangements.

In November 2021, SSC 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.

Furthermore, all SSC Standing Offers and Supply Arrangements issued, amended, or refreshed as of November 20, 2023, include anti-forced-labour clauses as part of the general conditions for goods.

As such, all ACOA contracts for goods resulting from the use of SSC's tools include clauses relating to forced labour, which outline, among other things, human rights and labour rights requirements.

During this reporting period, ACOA purchased goods under its own procurement authority in the following instances:

- Office furniture - desk and office seating (under \$25,000)
- Software (under \$25,000)
- Office Supplies

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

ACOA has integrated PSPC's Standard Contract Clauses, including its Code of Conduct for Procurement and anti-forced-labour clauses in its purchasing activities.

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

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

PSPC has developed awareness-raising guidance materials (including risk mitigation strategies) for suppliers targeted toward high-risk sectors. The materials are progressively becoming available on the canada.ca website.

ACOA has used PSPC's awareness materials to guide suppliers and safeguard its supply chains from forced labour and child labour. Furthermore, ACOA is referring its procurement personnel to these materials for awareness.

The April 1, 2023, amendments to the Treasury Board Directive on the Management of Procurement required several contracting authorities to incorporate the Code of Conduct for Procurement into their procurement process. In compliance with these amendments, SSC has integrated the code into its procurements.

To prevent and reduce the risk of forced labour or child labour in its procurements, ACOA has used the following list of SSC's tools to which the code applies:

- Standing Offers
- Supply Arrangements
- Contracts

As a common service provider, SSC 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.

ACOA also undertakes activities under its own procurement authority, independently of the aforementioned SSC tools. During the previous fiscal year, ACOA purchased goods under its own procurement authority in the following areas:

- Office furniture - desk and office seating (under \$25,000)
- Software (under \$25,000)
- Office Supplies

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* (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 into their procurement processes.

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, ACOA 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 ACOA 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 and applies to all imports, regardless of origin.

ACOA is committed to including anti-forced-labour clauses in all goods contracts. It also encourages the use of PSPC procurement tools, as much as possible, including Standing Offers, Supply Arrangements and current PSPC contract templates. In doing so, it ensures the appropriate anti-forced-labour clauses are included with its purchases.

ACOA has also integrated Ethical Procurement in its Corporate Procurement Framework.

Parts of activities and supply chains carrying a risk of forced labour or child labour being used and steps taken to assess and manage those risks

ACOA 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.

SSC 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.

ACOA took note of the findings and recommendations of these risks, and is monitoring related follow-up action, including the implementation of the Policy on Ethical Procurement and the development of a human rights due diligence framework.



Measures taken to remediate any forced labour or child labour

ACOA did not encounter forced labour or child labour used in relation to products purchased during the year. Therefore, no remediation measures have been taken.

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 activities and supply chains

ACOA did not identify 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. Therefore, no remediation measures have been taken.

Training provided to employees on forced labour and child labour

ACOA does not provide training to its employees on forced labour and/or child labour; however, the Canada School of Public Service has introduced an ethical procurement course, which the Agency has made mandatory for all procurement employees. ACOA will continue to monitor the development of these materials and will leverage these resources upon their publication.

SSC 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. Recognizing that ACOA procures goods and services through SSC instruments such as Standing Offers and Supply Arrangements, these initiatives directly reinforce ACOA's commitment to ethical and responsible procurement practices.

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

ACOA continues to build its procurement capacity and, at this time, does not have established formal policies or procedures to assess the effectiveness of measures aimed at preventing the use of forced labour or child labour in its activities and supply chains. As many procurement activities rely on government-wide contracting tools, the Agency is reviewing its current procurement practices and monitoring guidance and resources developed by central agencies. These resources will inform the future development of departmental measures, including mechanisms to assess their effectiveness in this area.