Report on Forced Labour and Child Labour in Supply Chains

Fiscal Year Ended March 31, 2026

Prepared under the Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c. 9)

ADDRESSABLE SPEND	GOODS SPEND	KNOWN DIRECT IMPORTS
$74.1M	**$20.2M**	**$681K**

1. Executive Summary

This report covers the fiscal year ended March 31, 2026 (FY26). During FY26, the Northern Alberta Institute of Technology (NAIT) continued to strengthen its approach to preventing and reducing the risk of forced labour and child labour in its supply chains. Measures taken during the reporting period included revising general contract and purchase order terms to address forced labour and child labour, completing procurement-team awareness training, quantifying known direct imports, and identifying priority risk categories.

Subsequent to the reporting period, in April 2026, NAIT launched a Supplier Code of Ethics and implemented supplier registration and compliance-document capabilities through Workday, its new enterprise resource planning system. These measures are described in this report because they were substantially developed during FY26 and are directly relevant to how NAIT is managing the risks identified.

NAIT recorded approximately $74.1 million in addressable procurement spend during the reporting period, including approximately $20.2 million in goods. Known direct imports totaled $681,415. NAIT's review identified apparel and branded merchandise, technology and electronics, and selected specialized imported goods as categories requiring continued attention because they may rely on complex global supply chains. Labour-intensive service categories, including janitorial and security services, were identified as a broader responsible-procurement priority.

NAIT did not identify any confirmed instance of forced labour or child labour in its activities or supply chains during FY26. No remediation measures or measures to address related loss of income were therefore undertaken. NAIT recognizes, however, that visibility beyond direct suppliers remains limited and that low direct-import value does not eliminate upstream risk.

FY26 progress at a glance

Area	FY26 progress
Governance	Report prepared for review by the Audit Committee and approval by the Board of Governors. Third annual report under the Act.
Supplier expectations	Supplier Code of Ethics developed during FY26, with labour and human rights requirements. Launched April 2026.
Systems	Workday supplier registration and compliance-document repository configured during FY26 and implemented April 2026.
Contracting	General contract and purchase order terms revised to address forced labour and child labour.
Risk analysis	Addressable spend, goods spend and known direct imports quantified. Apparel and branded merchandise remained a priority category.
Training	Procurement-team awareness training was completed in May and June 2025 and used as the foundation for FY26 controls.

2. Reporting Entity and Scope

Reporting information	Details
Legal name	Board of Governors of the Northern Alberta Institute of Technology
Operating name	Northern Alberta Institute of Technology (NAIT)
Financial reporting period	April 1, 2025, to March 31, 2026
Report status	Original annual report
Joint report	No
Reporting basis	NAIT is reporting as an entity under Part 2 of the Act. NAIT has a place of business in Canada, does business in Canada and has assets in Canada, and meets the applicable asset, revenue and employee thresholds. NAIT imports into Canada goods produced outside Canada.
Scope	Steps taken during FY26 to prevent and reduce the risk that forced labour or child labour was used in NAIT's activities or supply chains.

The Fighting Against Forced Labour and Child Labour in Supply Chains Act came into force on January 1, 2024. This report is intended to address the information required for an entity report and should be read together with NAIT's responses to the Public Safety Canada online questionnaire.

3. Structure, Activities and Supply Chains

NAIT is a public polytechnic in Alberta that delivers applied education, apprenticeship training, continuing education and applied research. Its academic and operational activities require the acquisition of a broad range of goods, services and construction. The institution's procurement profile includes instructional equipment and consumables, information technology, laboratory and research supplies, facility and construction requirements, retail merchandise, books and culinary supplies.

The Advanced Skills Centre project increased NAIT's construction-related activity during FY26. The project is a major addition to Main Campus, currently in early design and planning. For the purposes of this report, it is relevant because it shifts NAIT's procurement profile toward construction and because construction supply chains, including materials and subcontracted labour, increase the importance of clear supplier expectations and downstream contractor controls.

Our Supply Chains

NAIT's Supply Chain Management mission is to deliver strategic, transparent, and value-driven procurement solutions that support institutional excellence and operational integrity. Guided by principles of accountability, efficiency and sustainability, the team ensures the timely and ethical acquisition and delivery of goods, services, and construction resources essential to NAIT's educational and research mission.

As NAIT's Procurement team plays a critical role in stewarding public funds, we adhere to our Canadian Public Procurement guidelines, following the New Partnership Trade Agreement (NPWT) for the MASH sector, this agreement promotes open, transparent and non-discriminatory procurement practices across the Western provinces, our adherence to this agreement whether acquisition of goods or services, ensures all procurement activities are conducted in a fair, accountable and transparent manner.

Principal procurement categories

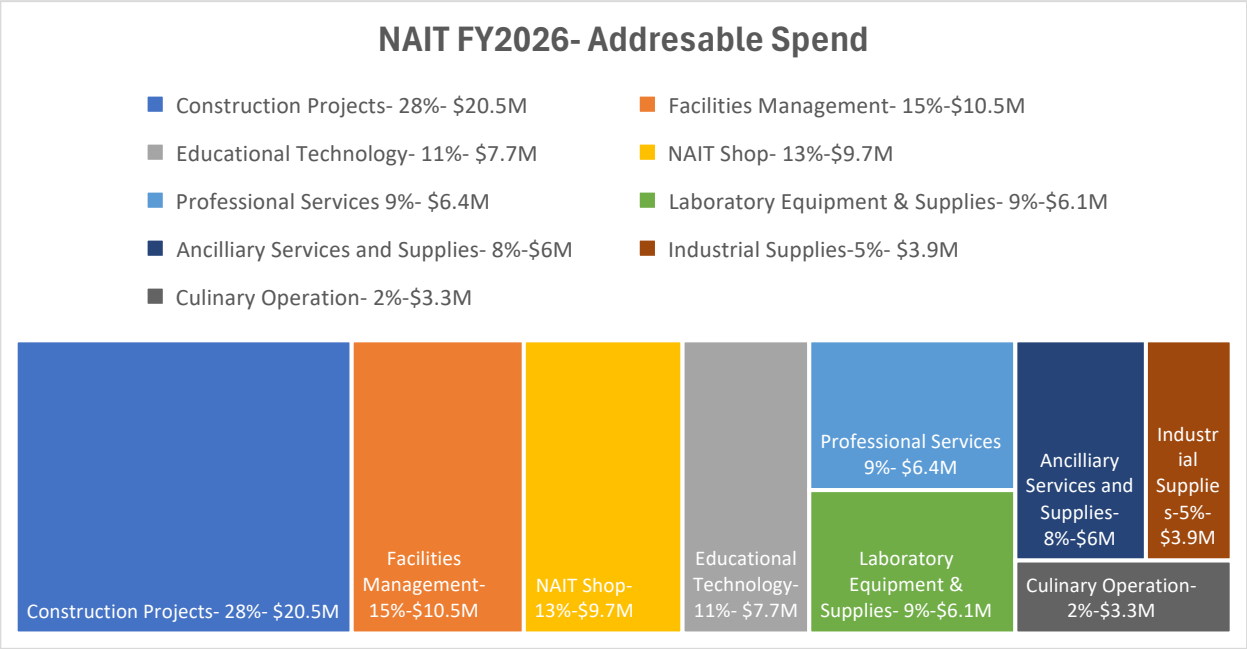
Category	Representative purchases
Construction and facilities	General contracting, design and engineering, electrical and mechanical work, furniture, maintenance, controls, groundskeeping, snow removal and janitorial requirements.
Technology	Software, information technology hardware, accessories and related consulting.
Research and instruction	Laboratory equipment, specialized consumables, chemicals, pharmaceuticals and program-specific equipment.

Category	Representative purchases
Industrial supplies	Welding, electrical, metal, electronic, HVAC, automotive and building supplies and equipment.
Retail and bookstore	Books, curriculum supplies, branded apparel, giftware, stationery, laptops and accessories.
Culinary	Food ingredients, prepared-food inputs and culinary supplies supporting instruction and campus services.

4. Supply Chain Profile and Spend Metrics

NAIT's total addressable procurement spend for FY26 was approximately $74.1 million. Goods expenditures were approximately $20.2 million. Known direct imports were $681,415, representing approximately 0.9% of addressable spend and 3.4% of goods spend.

Metric	FY26 amount	Context
Addressable procurement spend	$74.1 million	Spend within the defined procurement-data scope.
Construction-related spend	$20.5 million	Approximately 28% of addressable spend. Early design and planning work on the Advanced Skills Centre increased spend in this category during FY26.
Goods spend	$20.2 million	Approximately 27% of addressable spend.
Known direct imports	$681,415	Approximately 0.9% of addressable spend and 3.4% of goods spend.



Known Direct Imports by Source Country

Source	Amount	Share
United States	$587,337	86.2%
Germany	$79,854	11.7%
Other countries	$14,224	2.1%
Total	**$681,415**	**100.0%**

Approximately 22% of known direct imports supported NAIT shop operations, particularly through publishers serving bookstore needs. Remaining direct imports primarily consisted of specialized consumables and equipment supporting research and curriculum delivery.

5. Steps Taken During FY26 and Subsequent Measures

The following describes steps taken during the reporting period. Where a measure was completed after March 31, 2026, that is noted.

Supplier Code of Ethics

NAIT developed a Supplier Code of Ethics during FY26 and launched it in April 2026 in connection with its Workday implementation. The Code includes labour and human rights expectations addressing forced labour and child labour. NAIT is using the Code to communicate minimum expectations to suppliers and to support more consistent due diligence.

Supplier registration and document management

NAIT revised its supplier registration process through Workday Strategic Sourcing. The process enables a centralized repository for supplier compliance documents, including the Supplier Code of Ethics, WCB documentation, liability insurance, COR documentation and safety prequalification forms. These health, safety and insurance documents complement, but do not replace, human-rights due diligence.

Ethical sourcing clauses

NAIT revised its general contract terms and conditions and purchase order terms and conditions to add provisions addressing forced labour and child labour. These provisions strengthen NAIT's ability to communicate expectations and respond to supplier non-compliance in accordance with the applicable contract.

Priority-category action

Building on the FY25 review that identified apparel and branded merchandise as a higher-priority category, Retail Services established a requirement that suppliers in this category provide evidence of safe labour practices, such as certification or audit results from a recognized third-party standard or

program. NAIT applies a comparable expectation to technology and electronic products sourced overseas.

6. Policies and Due Diligence

NAIT's Procurement Policies underscore our dedication to promoting transparency, ethical practices, and adherence to public procurement standards. Our approach ensures fairness and competition while aligning with the trade agreements that govern public procurement.

A vital component of our strategy is the prequalification process, which identifies strategic partners for standing agreements with NAIT. This is achieved through public procurement opportunities, where suppliers undergo a thorough evaluation based on their expertise, reliability, and alignment with NAIT's values and goals. These agreements foster standardization, continuity, cost-effectiveness, and innovation, allowing us to better meet the institution's diverse operational needs.

NAIT's current due diligence is primarily focused on direct suppliers. Where information is available, NAIT considers the nature of the goods, category spend, known import information, supply-chain complexity and supplier evidence. NAIT recognizes that products purchased through Canadian distributors may have been manufactured elsewhere and that visibility into sub-tier suppliers remains limited.

Contractor health and safety requirements

WCB, liability insurance and, where applicable, COR requirements support contractor health, safety and legal compliance. These controls are complementary to, but not substitutes for, human-rights due diligence. Labour-related expectations are addressed more directly through the Supplier Code, sourcing documents and contract terms.

7. Risk Identification, Assessment and Management

Risk assessment approach

NAIT assessed known direct imports and procurement categories using available information. Factors considered included category and goods spend, direct-import value, source information, product type, potential supply-chain complexity, use of distributors, recognized supplier evidence and NAIT's contractual leverage. The analysis supports prioritization and does not constitute full traceability to every manufacturing facility or sub-tier supplier.

Category	Indicative inherent risk	Key rationale	FY26 response / remaining gap
Apparel and branded merchandise	Elevated	Multi-tier global manufacturing and limited upstream visibility.	Retail Services requirement for supplier evidence of safe labour practices; Supplier Code and contract terms. Visibility into sub-tier manufacturing remains limited.

Category	Indicative inherent risk	Key rationale	FY26 response / remaining gap
IT hardware and electronics	Elevated	Complex component and manufacturing supply chains.	Supplier Code and contract terms; country-of-manufacture and sub-tier visibility remain limited.
Laboratory and specialized equipment	Moderate	Specialized overseas manufacturing and distributor models.	Known direct-import review; manufacturer-level information is not consistently available.
Food and culinary supplies	Moderate	Agricultural, processing and distributor supply chains.	Established suppliers and procurement controls; upstream traceability remains limited.
Janitorial, security and labour-intensive services	Broader responsible-procurement priority	Potential subcontracting and worker-welfare considerations.	WCB, insurance and contractual controls
Domestic professional services	Lower goods-related risk	Limited goods component.	Standard procurement and contract controls; monitor material subcontracting or goods content.

Risk conclusion

Based on NAIT's review of known direct imports, procurement categories and supplier information available during FY26, NAIT assessed its known direct exposure as limited. NAIT does not interpret limited known direct exposure as the absence of risk. Certain goods remain subject to higher inherent risk because of product type, manufacturing processes or complex multi-tier supply chains. Continued improvement will focus on supplier information, priority categories and measurable follow-up.

8. Remediation

Remediation of forced labour or child labour

During FY26, NAIT did not identify any confirmed instance of forced labour or child labour in its activities or supply chains. Consequently, NAIT did not undertake remediation measures in response to a confirmed case.

Remediation of loss of income

NAIT did not identify any loss of income to vulnerable families resulting from measures taken to eliminate forced labour or child labour. Consequently, no related income-remediation measures were required during FY26.

Response approach for future concerns

If a credible concern is identified, NAIT would determine an appropriate response based on the circumstances, applicable law and contract terms. Potential measures may include investigation, supplier engagement, corrective-action requirements, escalation to Procurement and Legal, protection against retaliation where applicable, monitoring and responsible disengagement when corrective action is not feasible or effective.

9. Training and Awareness

NAIT's procurement team completed initial forced labour and child labour awareness training in May and June 2025, delivered by a third-party provider. The training covered the requirements of the Act, indicators of forced labour and child labour risk, and their application to procurement decisions. It established the foundation for the Supplier Code of Ethics, sourcing clauses and risk review described in this report.

Training has not yet been extended beyond the procurement team. NAIT intends to develop role-based refresher training and broader awareness for employees with purchasing responsibilities, including purchasing-card holders and decentralized buyers.

10. Assessing Effectiveness

NAIT did not yet have a mature outcome-based effectiveness framework during FY26. Initial effectiveness was assessed through implementation milestones, including launch of the Supplier Code, revision of supplier registration capabilities, implementation of contractual clauses, completion of known direct-import analysis and identification of priority categories.

The following measures are proposed for ongoing monitoring. They are future performance indicators and should not be interpreted as achieved FY26 results:

Proposed indicator	Purpose
Supplier Code acknowledgement coverage	Measure the proportion of in-scope suppliers that have acknowledged or accepted equivalent requirements.
Ethical-clause coverage	Measure the proportion of relevant sourcing events, contracts and purchase orders using approved clauses.
Training completion	Measure completion by procurement staff and other employees with assigned purchasing responsibilities.
Priority-category review coverage	Track reviews completed for apparel, electronics and other selected categories.
Supplier evidence and exceptions	Track evidence requested, accepted, expired, incomplete or escalated.
Concerns and corrective actions	Track credible concerns, investigations, corrective actions and closure status.

11. FY27 Priorities Roadmap

Priority	FY27 intended deliverable	Suggested measure
Safety Onboarding Integration	Incorporate forced labour risk awareness and supplier commitments into contractor safety onboarding training.	Number of contractors completing awareness content as part of safety onboarding.
Training and awareness	Provide role-based refresher training and targeted awareness for purchasing-card holders and decentralized buyers.	Update of Pcard holder booklet, with annual confirmation certification
Supplier performance	Setting up a structured evaluation system to assess supplier performance and gain feedback on supplier's journey in their adherence to sustainable procurement and ethical sourcing principles.	Suppliers assessed and follow-up actions.
Reporting channel	Confirm a secure channel and escalation process for supplier-related concerns.	Channel available, communicated and governed.
Academic advocacy	Explore opportunities to incorporate responsible sourcing concepts into relevant curriculum.	Documented feasibility decision or curriculum action.

Through these measures, NAIT aims to strengthen its supply chain oversight, promote ethical practices, and foster a culture of responsible procurement across the institution.

12. Approval and Attestation

This report was approved by the Board of Governors of the Northern Alberta Institute of Technology on September 30, 2026, pursuant to paragraph 11(4)(a) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act.

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.

Name: Laura Jo Gunter
Position: President and CEO
Date: October 1, 2026

I have the authority to bind Northern Alberta Institute of Technology.