

Bill S-211 Report

Prevention and Reduction of the Risk of Forced Labour and Child Labour in Supply Chains

For the fiscal year ending March 31, 2024

To be submitted to Public Safety Canada upon approval

Prepared by:

Procurement and Contract
Management

Finance, Procurement, and Planning

Date:

May 27, 2024

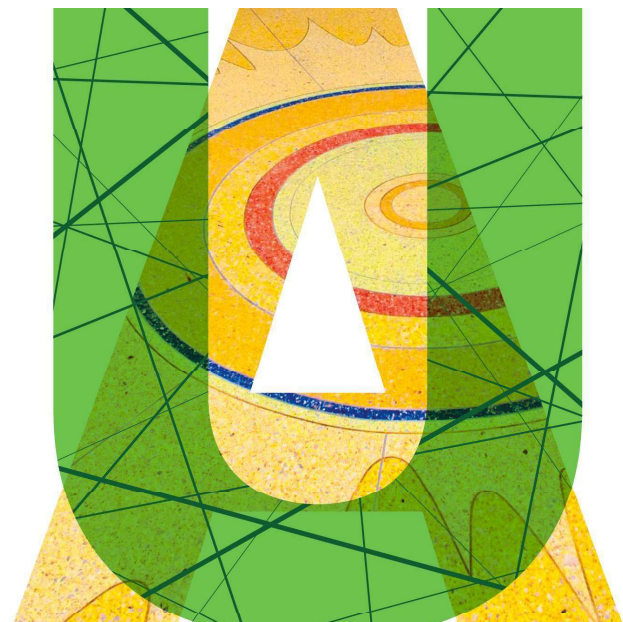


Table of Contents

Identifying Information	2
Steps Taken to Prevent and Reduce Risk of Forced Labour and Child Labour in Supply Chains	3
Initiative 1: Supplier Code of Conduct	3
Initiative 2: Supplier Scorecards	3
Initiative 3: Training	4
Supplementary Information	5
Structure, Activities and Supply Chains	5
Structure	5
Activities	5
Supply Chain	5
Table 1: Supply Chain Location and Spend	6
Policies and Due Diligence Processes In Relation To Forced Labour and Child Labour	6
Business and Supply Chain Components That Carry a Risk of Forced Labour and Child Labour	6
Measures Taken to Remediate Any Forced Labour and Child Labour	6
Measures Taken to Remediate the Loss of Income to the Most Vulnerable Families	7
Training Provided to Employees on Forced Labour and Child Labour	7
Assessment of the Effectiveness of Eliminating Forced Labour and Child Labour From Supply Chains	7
Attestation	8

Identifying Information

Reporting entity's legal name	Governors of the University of Alberta
Financial reporting year	April 1, 2023 to March 31, 2024
Identification of a revised report	Original submission
Business number(s), if applicable	10810 2831
Identification of a joint report	No
Identification of reporting obligations in other jurisdictions	None
Entity categorization according to the Act	Corporation, established under 16(2) of the Post-Secondary Learning Act (Alberta)
Sector/industry	Education, health or social (industry code 611000 – Educational Services)
Location	116 Street and 85 Avenue, Edmonton AB, T6G 2R3

Steps Taken to Prevent and Reduce Risk of Forced Labour and Child Labour in Supply Chains

The Governors of the University of Alberta (the university) have completed 3 initiatives during fiscal year 2023-24 to reduce the risk of forced labour and child labour in the university supply chain.

1. Updated the University of Alberta Supplier Code of Conduct (published May 2024).
2. Completed a review of 26 primary suppliers (scorecards were prepared that relate to sustainable procurement and purchasing practices).
3. Completed training to all employees within the department of Procurement and Contract Management on forced and child labour in the supply chain.

Initiative 1: Supplier Code of Conduct

The university updated their Supplier Code of Conduct (SCOC) in May 2024. The SCOC is published on the Procurement and Contract Management website under the [Sustainable Purchasing](#) section.

The SCOC speaks specifically to the requirements of all suppliers that provide product, equipment, and services to the university to follow sustainable procurement and purchasing practices. It includes a section related to social responsibility and includes statements on the following topics:

- Forced Labour
- Child Labour
- Equity, Diversity and Inclusion
- Non-discrimination
- Employee Treatment

In addition to these requirements of current and new suppliers, the SCOC includes a section related to Supplier Onboarding, Accountability, and Due Diligence. This section outlines how the university will onboard all suppliers, while at the same time, hold them accountable to their sustainable purchasing practices.

The university is completing additional due diligence to ensure the suppliers are not involved in forced or child labour at anytime. If the university or the supplier becomes aware of this type of labour in their supply chain either party is expected to immediately report to the other and identify corrective actions to eliminate this expeditiously.

Initiative 2: Supplier Scorecards

The university developed an internal scorecarding program in January 2024 to monitor and report on supplier sustainability and ethical, environmental, social and governance (ESG) practices. This program provides additional insight into the university supplier relationships and the ESG practices they are currently involved in.

The university completed 26 supplier scorecards that includes Key Performance Indicators (KPIs) relating to ESG. These scorecards report on the following activities:

- Supplier governance
- Ethical business practices
- Forced and child labour
- Social performance standards
- Health and safety practices
- Labour practices
- Equity, diversity and inclusion activities
- Environmental stewardship (carbon and pollution standards)
- Waste management
- Information, security, data protection and destruction standards
- Accountability and supplier onboarding

The scorecards provide a final score for each supplier. Information was gathered two ways; through a questionnaire provided by the university and through research completed on the supplier website. The information collected provides current data for the above 11 categories to provide an overall ESG rating out of 100. Based on the scoring, the 26 suppliers have been grouped into three categories:

- **High risk. 6 Suppliers.** Additional supplier follow up and action is required (little or no ESG information was available from the supplier).
- **Medium risk. 5 Suppliers.** Recommendations by the university to improve the scorecard will be provided to the supplier.
- **Low risk. 15 Suppliers.** The supplier currently has a strong ESG program in place that addresses all 11 activities reported on.

None of the suppliers scored showed any activities relating to forced or child labour in their supply chains. A low rating in any category including forced or child labour does not indicate they are using this type of labour; it only indicates that they are not currently reporting or documenting any current activities related to this category.

The scorecard results are currently being reviewed to develop remediation plans for those suppliers identified as higher risk. The scorecard process will expand in fiscal year 2024-25 and include the review of additional 75 suppliers to the university.

Appendix A provides a summary of the results of all 26 supplier scorecards reviewed in fiscal year 2023-24. (Supplier names have been removed to protect their privacy and security).

Initiative 3: Training

The department of Procurement and Contract Management (PCM) has completed internal staff awareness training relating to sustainable procurement and purchasing practices. This training was provided at staff meetings and speaks directly to the requirements of the department to review forced and child labour activities of current and future suppliers. training will be expanded in fiscal year 2024-25 to include campus wide training.

Supplementary Information

The reporting obligation includes reporting on the following 7 points related to the university:

- its structure, activities and supply chains;
- its policies and due diligence processes in relation to forced labour and child labour;
- the parts of its activities and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk;
- any measures taken to remediate any forced labour or child labour;
- 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 its activities and supply chains;
- the training provided to employees on forced labour and child labour; and
- how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

Structure, Activities and Supply Chains

Structure

The university has a centralized Procurement and Contract Management (PCM) department. PCM is part of the Finance, Procurement and Planning Portfolio that reports to the Vice-President, University Services and Finance.

Purchasing and contract management is completed within an electronic procurement platform (Coupa Software) branded as SupplyNet.

Activities

Procurement through SupplyNet occurs through the following process:

- A requisition is completed in SupplyNet by a university requestor
- Requisition routes for review and approval
- The purchase order is dispatched electronically to the supplier
- Supplier receives the purchase order
- Supplier reviews the request, fills the order, arranges delivery and invoices the university
- The university receives and confirms the order in SupplyNet
- System receiving triggers payment to the supplier

Supply Chain

The university supply chain is relatively simple with greater than 90% of suppliers based in Canada. Table 1 identifies university spend by region:

Table 1: Supply Chain Location and Spend

Location	Fiscal year 2023-24 spend	Percentage of overall spend	Risk factor associated with spend (low, medium, high)
Canada	\$613,844,287	92%	Low
United States	\$52,065,745	7%	Low
Europe, UK and Australia	\$634,000	1.0%	Low
Asia	\$74,000	.01%	Medium
South America	\$73,000	.01%	Medium
Africa	\$52,000	.01%	Medium

Policies and Due Diligence Processes In Relation To Forced Labour and Child Labour

University suppliers are required to adhere to the University of Alberta Supplier Code of Conduct. This includes the following:

Forced Labour Our Code of Conduct outlines to the supplier that they must only employ workers that choose to work for them. The supplier cannot use any forced, bonded, involuntary, compulsory, slavery like circumstances or indentured labour. This includes work or services performed that is exacted or coerced from a person under threat, force of penalty or threatened abuse of law or legal process.

Child Labour Our Code of Conduct outlines to the supplier they cannot use child labour to manufacture product and equipment or provide services. The term “child” refers to any person under the age of 14. Children under the age of 16 are not permitted to perform hazardous work.

Within the Supplier Code of Conduct supplier onboarding, accountability and due diligence is identified as a key component to engaging in procurement activities at the university. All current and new suppliers are required to be aware of the Supplier Code of Conduct and adhere to university policies and due diligence strategies.

Business and Supply Chain Components That Carry a Risk of Forced Labour and Child Labour

The university has not identified any components in the supply chain that carry a risk of forced or child labour. Additional data continues to be reviewed and expanded to maintain the current status.

Measures Taken to Remediate Any Forced Labour and Child Labour

The university has updated its Supplier Code of Conduct to outline the supplier actions related to forced and child labour. At any time, the use of forced or child labour is unacceptable. If either party becomes aware of the use of these types of labour, they are expected to report immediately and provide a plan to eliminate this.

In addition, the university is reviewing its current supplier listing. It has created scorecards with key performance indicators that relate to ESG for a list of 26 suppliers. Based on the scorecard results, follow up with suppliers that have a high risk rating will occur to collect additional data and outline corrective action plans currently required.

In subsequent years, the university will continue with the scorecarding program and report on additional suppliers to the university.

Measures Taken to Remediate the Loss of Income to the Most Vulnerable Families

The university has not, at this time, taken any measures to remediate the loss of income to the most vulnerable families. If the university becomes aware of any forced or child labour in our supply chain, options to remediate loss of income for those affected will be investigated.

Training Provided to Employees on Forced Labour and Child Labour

The university has outlined the reporting requirements in Bill S-211 to its Procurement and Contract Management (PCM) staff. PCM has also updated their staff on their Supplier Code of Conduct changes and requirements.

University wide awareness training will occur before March 31, 2025, and will incorporate Bill S-211 requirements and updates to the supplier code of conduct. New employees will receive training during an onboarding process.

Assessment of the Effectiveness of Eliminating Forced Labour and Child Labour From Supply Chains

Based on the minor dealings that the university has with countries in areas often associated with high risk of forced and child labour, administration believes the university's current processes are appropriate to address the current level of risk faced by the university.

In the coming year the university plans to increase our supplier scorecarding process to include an additional 75 suppliers and review the assessments of the current supplier scorecarding listing we have reported on in the previous year with the intent to implement any corrective action plans identified.

Our Supplier Code of Conduct will be reviewed and updated to include any new compliance requirements.

Attestation

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.

Name Kate Chisholm, KC



Date May 27, 2024

signature

I have the authority to bind the Governors of the University of Alberta

Appendix A - Supplier Scorecard Results

Collected by Procurement and Contract Management

Supplier names have been removed to protect the suppliers privacy and security

The following table provides the scoring (1-10) for each company across 11 categories. Scores are added for a final score between 0 and 110.

Scoring is then colour-coded red for a high risk score (less than 35), yellow for a medium risk score (36-60), and green for a low risk score (greater than 61).

Supplier #	Governance	Ethical Business Practices	Forced and Child Labour	Social Performance Standards	Health and Safety Practices	Labour Practices	Equity, Diversity and Inclusion	Environmental	Waste Management	Information security	Accountability and Supplier Onboarding	Final Score
1	1	1	1	1	5	5	5	1	10	1	5	36
2	5	5	5	5	5	5	5	1	5	5	5	51
3	10	10	10	10	10	10	10	10	10	10	10	110
4	10	10	10	10	10	10	10	10	10	10	10	110
5	10	10	10	10	10	10	10	10	10	10	10	110
6	10	10	10	10	5	10	10	1	10	5	5	62
7	10	10	10	10	10	10	10	10	10	10	10	110
8	10	10	10	10	5	10	10	10	10	5	5	95
9	10	10	10	10	10	10	10	10	10	10	10	110
10	1	1	1	1	1	1	1	5	5	1	1	19
11	1	5	1	1	1	1	5	10	10	5	1	41
12	5	5	5	5	5	1	5	1	5	1	5	11
13	5	5	1	10	10	10	10	10	10	5	5	73
14	1	1	1	1	5	5	5	1	10	1	5	36
15	1	1	1	1	1	1	1	1	1	1	1	11
16	10	10	10	10	10	10	10	10	10	10	10	110
17	10	10	10	10	10	10	10	10	10	10	10	110
18	10	10	10	10	10	10	10	10	10	10	10	110
19	10	10	5	5	10	10	10	10	5	10	10	91
20	5	5	1	5	10	5	5	10	10	1	10	59
21	10	5	5	10	10	5	10	10	10	10	10	95
22	10	10	10	10	10	10	10	10	10	10	10	110
23	1	1	1	1	1	1	1	1	1	1	1	11
24	1	1	1	1	1	1	1	1	1	1	1	11
25	5	10	10	5	10	5	5	5	5	5	10	75
26	1	1	1	5	5	5	1	5	5	1	1	31