

Bill S-211: Fighting Against Forced Labour and Child Labour in Supply Chains Act

Public Safety Canada Report

University of Western Ontario

Reporting entity's legal name: University of Western Ontario

Financial reporting year: May 1, 2023, to April 30, 2024

Identification of a revised report: N/A

Business number(s), if applicable: 108162587 RR0001

Identification of a joint report: N/A

Identification of reporting obligations in other jurisdictions: N/A

Entity categorization according to the Act: Entity (University)

Sector/industry: Public Sector / Higher Education

Location: London, Ontario, Canada

Introduction

At the [University of Western Ontario](#) (Western University or Western) we recognize that modern slavery remains prevalent around the world. We are a leading research-intensive university and global community of individuals focused on making change in the world, today, and are committed to playing our role in mitigating all forms of modern slavery within our operations and supply chains. In addition to Western University's strategic plan, [Towards Western at 150](#), which identifies global sustainability as a key focus, the University has initiated a number of activities to strive toward ethical supply chain management. This report will serve to address these activities as they relate to **Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act)**.

Reporting Entity and Structure

The University operates under the governance framework set forth by the University of Western Ontario Act, 1982, which establishes its primary governance bodies: the Board of Governors, the Senate, and the University Council. The [Board of Governors](#) is responsible for the overall governance of the University. In consultation with Senate, the Board sets the strategic direction of the institution. The Board appoints the President and Vice-Chancellor, Vice-Presidents, Deans, and other senior administrators of the University. The Board has responsibility for all financial matters and matters related to property. It establishes and enforces regulations for the use of the University's buildings, grounds and ancillary operations, approves the University's operating and capital budgets, oversees expenditures from those budgets, and sets fees.

The University is globally minded and attracts students and staff from around the world. It aims to attract, develop, reward, and retain top-tier talent to maintain its status as a leading institution in teaching and research. Western has a strong international presence, with partnerships, research collaborations, and alumni networks spanning the globe.

As of November 2023, the University employed 1,435 faculty members, 2,697 staff members, and welcomed around 35,000 students¹. The University reported revenues of \$1.4 billion and had assets of \$4.6 billion in 2023².

Supply Chain

Western engages in extensive procurement activities, adhering to public procurement regulations and ethical sourcing practices. These activities encompass a broad spectrum of goods and services, including but not limited to construction, office supplies, electronics, food and catering, travel services, laboratory equipment and supplies, books, printing services, and waste management. The central Procurement Services unit manages the oversight and compliance to domestic directives, legislation, and international trade agreements, and manages procurements through collaborative frameworks, notably with the Ontario Education Collaborative Marketplace (OECM) and other consortia, to leverage collective purchasing power and achieve cost efficiencies. Operating in a decentralized environment, individual units manage procurement processes where the value is less than the open competitive threshold as outlined in the [Broader Public Sector Procurement Directive](#).

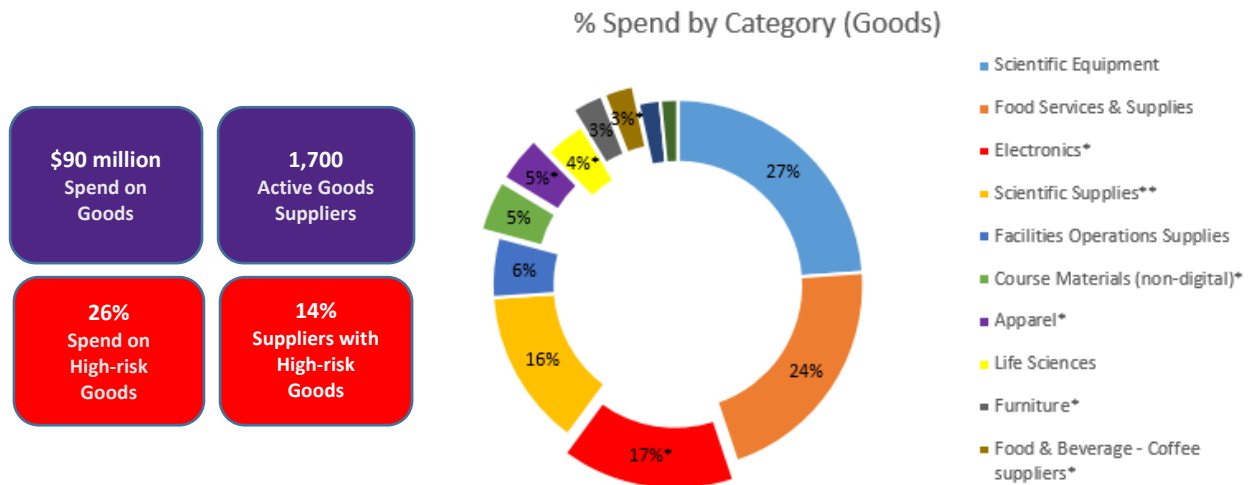
¹ About Western – Facts & Figures <https://www.uwo.ca/about/whoweare/facts.html>

² Western University Financial Statements https://www.uwo.ca/finance/forms/docs/corporate_accounting/2023.pdf

The University recognizes the existence of modern slavery risk across its supply chains and, further, that these risks may be elevated in certain supply chains due to factors such as geographical location and/or source locations for materials and products the University procures. There is an identified lack of visibility in certain overseas markets which may present increased risk of modern slavery, especially in secondary (and further) supply chain tiers, and in source materials used in the University's goods and services.

Category Spend

Western's annual spend on goods *in scope* of the Act is approximately \$90 million, across approximately 1,700 suppliers. The highest categories of spend include scientific equipment, food services & supplies (non-coffee), electronics*, and scientific supplies**.



*High-risk Categories:

The following have been identified as high-risk categories relevant to the University. The [US Department of Labor report: 2022 List of Goods Produced by Child Labor or Forced Labor](#) was consulted for the development of this list.

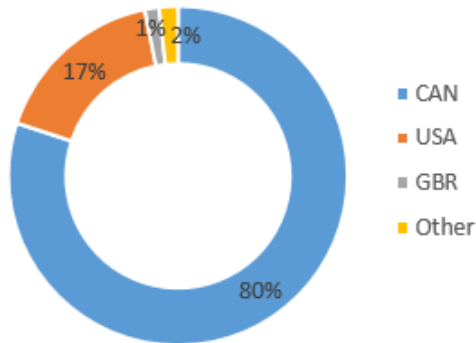
- Electronics
- Apparel
- Promo products
- Office furniture
- Office supplies (paper)
- Food & beverage (coffee suppliers)
- Course materials (non-digital or paper based)

**Scientific Supplies is identified as a category which contains subcategories that may carry risk in the supply chains, particularly personal protective equipment and safety gear.

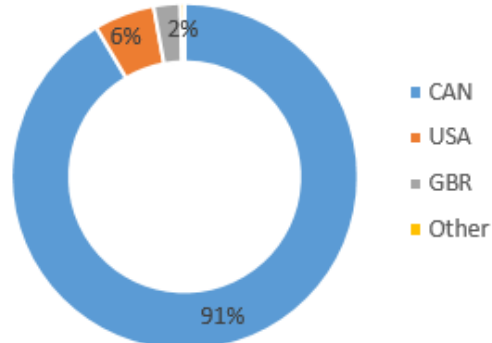
Local Buying

Operational units strive to work with local vendors. Approximately 80% of spend on all goods *in scope* of the Act, and 91% of spend in high-risk categories, is with Canadian businesses.

% Spend by Country or Region
(All categories)



% Spend by Country or Region
(High-risk categories)



The Province of Ontario has recently enacted the [Building Ontario Business Initiatives Act](#), effective April 1, 2024, which will further prioritize Western's spending with Ontario-based businesses.

A high-level assessment was conducted on international spend with suppliers located in high-risk countries. The result was a very nominal occurrence of spend, which was largely with service firms. However, the University acknowledges the risk of forced or child labour in our supply chains which are not covered by our initial assessment of our direct (tier 1) suppliers.

Policies and Procedures

The University has a number of policies and procedures which govern our activities and aim to reduce the risk of modern slavery in our operations and supply chain. Western's [Sustainable Procurement program](#) incorporates social, governance, and ethical considerations into procurement policy. As part of the University procurement policy, employees are required to consider the ethical and governance impacts of all purchasing decisions.

Supplier Code of Conduct (SCoC)

Western University is committed to sourcing in an ethical, legally compliant, and socially responsible manner and expects suppliers to adhere to equivalent standards. The [Supplier Code of Conduct \(SCoC\)](#) sets out the minimum ethical standards and business conduct for any supplier that provides the University with goods or services.

The SCoC has been developed drawing insights from benchmarking against leading post-secondary institutions and cross-industry best practices. The standards set out in the SCoC address issues such as forced and child labour, fair treatment of employees, wages and benefits, worker health and safety, etc., that align with the International Labor Organization (ILO) and other applicable regulations such as the new [Supply Chains Act, Canada](#).

Western has also adopted a collaborative approach to the SCoC, actively engaging with major suppliers in its development to ensure comprehension and commitment. This is to ensure that adherence to the SCoC is not merely a formality, but a shared responsibility. The Supplier Code of Conduct is a key component for the relationship between Western and its suppliers to share the responsibility of meeting regulatory compliance, managing risks, and reputation. Western will expect suppliers to affirm their compliance with the SCoC.

The SCoC will be issued to vendors who are entering into an agreement or contract with the University, have a significant spend, or are deemed to fall into a high-risk category, commodity, or geographical location. Vendors in identified [high-risk categories](#) will be included audit programs.

In early 2024, all new vendors will be provided Western's SCoC and will be required to provide attestation to reading and having understood the terms and conditions. Additionally, we have integrated the SCoC into the University's procurement procedures and terms and conditions for purchase orders.

Upon being notified of a potential violation of the SCoC, Procurement Services will validate the non-compliance with due diligence procedures. In the event that a supplier is confirmed to be non-compliant with Western's SCoC, they will be issued a notice of non-compliance and expected to bring forth corrective actions within thirty (30) days of receiving the notice. Western shall have the option, at its sole discretion, to terminate the agreement with the supplier.

Leadership Assessment Questionnaire

To support the distribution of the SCoC to contracted, high spend, and/or high-risk vendors, an environmental, social, governance & ethical Leadership Assessment Questionnaire will be issued alongside the SCoC. The goals of this questionnaire include:

- Provide an overview of our commitments to responsible sourcing and the expectation we have of our supply chain
- Obtain information from vendors about their practices and commitments, to help us identify risks & opportunities and improve our collective impact through partnerships, collaboration and learning, and
- Distribute Western's SCoC.

The questionnaire, in relation to the ethical and governance pillars of sustainability, includes questions pertaining to responsible management practices and human rights due diligence practices.

Sustainable Procurement Toolkit and Request for Proposal/Quote Processes

Supply chains and procurement hold significant potential for both positive and negative sustainability impacts. It is essential to emphasize the collective responsibility of every purchase, regardless of its scale.

To facilitate this impact and empower Western's procurement team, a decision-making toolkit was developed early in 2023. The toolkit helps to streamline the process of identifying and integrating sustainability considerations into purchasing decisions, including Request for Proposals (RFPs).

The toolkit helps to identify where there may be a high risk for ethical supply chain practices, based on the product category or commodity, and provides suggested questions to assess and evaluate in an RFP. This may include requesting information on systems, policies, practices, or code of conducts to ensure compliance with human rights standards within their supply chain and/or operations.

Training and Education

As a place of learning, we recognize our responsibility to raise awareness of the issue of modern slavery, and to educate specifically on modern slavery risks and best practices. Western Procurement Services is incorporating ethical supply chain management into internal employee training. This will include best practices to encourage units to work with vendors who have responsible labour practices and are complying with Western's SCoC, where applicable and feasible. This may require an assessment of the company's supply chain management during the procurement process.

Category-specific training will be available throughout 2024 and will focus on risks and opportunities related to all pillars of sustainability, including ethical considerations. The target groups will include employees involved in all levels of purchasing activities. The training will be in the form of webinars and knowledge-based articles on modern slavery, for all staff members to access.

Building on a History of Practice

Food and beverage and apparel have been identified as high-risk categories. Western's Hospitality and Food Services, and Retail Services (the Book Store) have a history of practice related to ethical sourcing and reducing the risk of forced labour in supply chains.

For example, Western obtained Fair-Trade Campus designation in 2015. All residence dining operations, campus outlets, and vending services offer products required to meet this designation. In addition to serving Fair Trade coffee, Fair Trade tea, bananas, and chocolate are also available for purchase. Hospitality and Food Services also prioritizes buying local, and tier 1 suppliers are predominantly located in Ontario. This local spend is captured in the [Food Services & Supplies and Food & Beverage spend categories](#).

Additionally, the Book Store, owned by Western Retail Services, has had a [Code of Conduct](#) with University licensees and their contractors since 2010. The code of conduct includes, but is not limited to establishing ethical principles, employment standards, and International Labour Organization practices for child labour and forced labour. Retail Services' code of conduct was used to inform Western's overall Supplier Code of Conduct.

Action Plan and Priorities – 2024 and beyond

Western's Sustainable Procurement program will continue to develop and incorporate best practices relevant to our sector. Future program development may include the following:

Audit Programs

Western University reserves the right to audit vendors and request additional documentation to ensure compliance with all applicable laws and standards as set out in the SCoC. Procurement Services will review potential audit tools and take steps to develop an audit program. A comprehensive audit program may include:

- Mapping the supply chain of high-risk vendors
- Conducting risk assessments and further due diligence inquiries
- Utilizing a verifiable audit tool to identify vendors with forced labour in their supply chain

Key Performance Indicators (KPIs)

KPIs will be developed to measure the effectiveness of Western's program and may include:

- # of signed Supplier Code of Conducts
- % compliance to Supplier Code of Conducts
- % of spend with Canadian suppliers
- # of reported modern slavery cases in our direct areas of influence
- # of report cases resolved

Remediation

Western does not currently have an institution-wide procedure addressing remediation specifically related to 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. For clarity, we have not identified any instances where this has been applicable. As part of continuous improvement to Western's program, we will review best practices and consider a remediation framework.

Approval for The University of Western Ontario

This report was approved by the Board of Governors on April 24, 2024.

Attestation for The University of Western Ontario

In accordance with the requirements of the Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains 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.



Alan Shepard, President and Vice-Chancellor, May 27 2024.

I have the authority to bind the University of Western Ontario.