

Fighting Against Forced and Child Labour in Supply Chains Act

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

For the fiscal year ending March 31, 2025

**To be submitted to Public Safety Canada upon approval*

Prepared by:

Procurement and Contract
Management

Date:

May 27, 2025

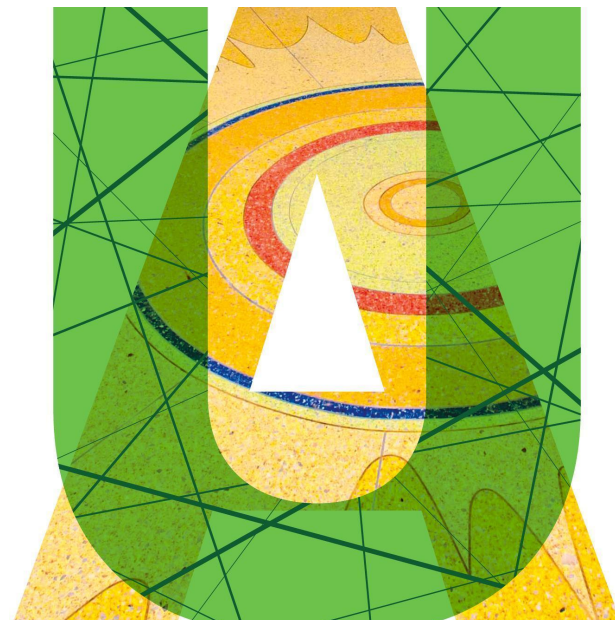


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Identifying Information

Reporting entity’s legal name:	Governors of the University of Alberta
Financial reporting year:	April 1, 2024, to March 31, 2025
Identification of a revised report:	No
Business number:	10810 2831
Identification of a joint report:	No
Reporting obligations in other jurisdictions:	None
Entity categorization:	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 and Child Labour in Supply Chains

Executive Summary

The *Fighting Against Forced Child Labour in Supply Chains Act* (the Act) requires the university to report on the following seven areas, which are outlined in this report:

- university structure, activities and supply chains;
- university policies and due diligence processes in relation to forced labour and child labour;
- parts of university 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;
- measures taken to remediate any forced labour or child labour; and
- 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.

In fiscal year 2024-25, the university completed five initiatives to mitigate the risk of forced and child labour in the university supply chain:

- scorecarded the procurement activities of 59 university suppliers regarding activities that relate to sustainable procurement and purchasing practices;
- completed follow up with nine suppliers that were identified as high risk during the 2023-24 Report;
- provided training materials to all active users in SupplyNet, the university's electronic purchasing platform (SupplyNet users are university employees that complete purchasing activities on behalf of the institution);
- created and distributed an awareness questionnaire; results are being reviewed; and
- updated the University of Alberta's Sustainable Purchasing Website.

The University of Alberta is fully compliant with the Act. Effective mitigation strategies have been incorporated into the purchasing and procurement environment to minimize risk.

Analysis

Structure, Activities and Supply Chains

The university has a centralized Procurement and Contract Management (PCM) Unit which falls under the broader umbrella of Finance, Procurement and Planning under the University Services, Operations and Finance portfolio.

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

Procurement activities are completed in SupplyNet as follows:

1. a requisition is completed in SupplyNet by a university requestor;
2. the requisition routes for review and approval;
3. the purchase order is dispatched electronically to the supplier;
4. the supplier receives the purchase order;
5. the supplier reviews the request, fills the order, arranges delivery and invoices the university;
6. the university receives and confirms the order in SupplyNet; and
7. the system triggers payment to the supplier.

The university supply chain is relatively simple as over 90% of the university's suppliers are based in Canada. Table 1 below identifies the university's spend by region.

Table 1: University of Alberta's Supply Chain Location and Spend

Location	Fiscal year 2024-25 spend	Percentage of overall spend	Risk factor associated with spend (low, medium, high)
Canada	\$641,785,593	92.68%	Low
United States	\$49,961,816	7.22%	Low
Europe, UK, Australia and New Zealand	\$573,076	0.08%	Low
Asia	\$43,805	0.01%	Medium
South America	\$68,824	0.01%	Medium
Africa	\$156	0.00%	Medium
Totals:	\$692,433,270	100%	

Policies and Due Diligence Processes Relating to Forced and Child Labour

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

- **Forced Labour:** the supplier 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:** the supplier cannot use child labour to manufacture products, equipment or provide services. The term "child" refers to any person under the age of 14. Persons under the age of 16 are not permitted to perform hazardous work.

During supplier onboarding, accountability and due diligence are identified to suppliers as key components for 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. The

Supplier Code of Conduct requirements are incorporated in the university request for proposal documents, SupplyNet terms and conditions as well as contract language.

PCM has also updated the university's Sustainable Purchasing webpage. This includes updates to the Supplier Code of Conduct and the Green Procurement Principles and publication of both the [2024 Bill S-211 Report](#) was published and the [Bill S-211: U of A Supplier Code of Conduct Training and Questionnaire](#). In fiscal year 2025-26 the website will be reviewed and relevant information will be incorporated.

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

The university has not identified any components in the supply chain that carry a risk of forced or child labour.

Measures Taken to Remediate Any Forced Labour and Child Labour

Updates to the Supplier Code of Conduct

The university maintains an updated Supplier Code of Conduct to outline supplier requirements relating to forced and child labour. The university is clear that the use of forced or child labour is unacceptable at any time. If either party becomes aware of the use of these types of labour, they are expected to report on this immediately and provide a plan to eliminate it from the supply chain.

Supplier Scorecarding

The university also continues to review its supplier base. It maintains scorecards for both 2023-24 and 2024-25 with key performance indicators (KPIs) that relate to environmental, social and governance (ESG) practices. The university has developed, distributed and reported on employee awareness training and will continue to do so on an annual basis. This has increased the university community and supplier awareness of forced and child labour and ESG requirements.

In January 2024, the university developed an Internal Scorecard Program to monitor and report on supplier sustainability, ethical and ESG practices. This program provides additional insight into the university supplier relationships and the ESG practices they are currently involved in.

59 supplier scorecards were completed this fiscal year which outline 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 (*for example, carbon and pollution standards*);
- waste management;

- information, security, data protection and destruction standards; and
- accountability and supplier onboarding.

Information for these scorecards was gathered two ways: 1) through questionnaire responses provided by the supplier to the university; and 2) researching the supplier's website. Each scorecard provides an ESG rating out of 110 and results on each of the 11 categories outlined above. High-level scoring results for the 59 suppliers are as follows:

- **High Risk:** (1 supplier). Additional supplier follow up and action is required (*little or no ESG information was available from the supplier*).
- **Medium Risk:** (9 suppliers). Recommendations to improve scorecard rankings will be provided to the supplier.
- **Low Risk:** (49 suppliers). The supplier 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 involved in this type of labour activities; it only indicates that they are not currently reporting or documenting activities in this category.

The scorecard results are currently being reviewed to develop remediation plans for those suppliers identified as higher risk. In fiscal year 2025-26 the university will focus on follow up and consultation efforts with suppliers that had a high-risk rating. Scorecarding will continue on an ongoing basis.

Supplier Scorecarding Follow-Up

During the 2023-24 reporting cycle, PCM reached out to 26 suppliers through multiple methods. Nine suppliers were previously identified as high risk, meaning they do not have any published policies or have not responded to our inquiries about sustainability or the Act.

Out of the nine suppliers that were re-evaluated, two had made some changes to ESG activities, including updates to their policies that improved their rating. Seven had not made any changes and will require additional consultation. Follow-ups will continue with high risk suppliers to improve their rating and ESG practices.

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 as this has not been an issue to date. If the university becomes aware of any forced or child labour in its supply chain, options to remediate loss of income for those affected will be investigated.

Training and Questionnaires on Forced Labour and Child Labour

Training has been delivered to PCM, as well as campus wide, since 2023-24. In October 2024, PCM completed university-wide awareness training on sustainable procurement and purchasing practices,

including awareness and requirements of the Act and the university's Supplier Code of Conduct. Training documentation was distributed through email to 2787 SupplyNet users.

Training incorporated the following:

- government reporting requirements;
- Act reporting, approval and attestation requirements;
- steps being taken by the university to prevent forced or child labour in the supply chain;
- current reporting outcomes;
- 2025 reporting initiatives; and
- supplier engagement.

In conjunction with the employee training, the university also provided a questionnaire to track the employee knowledge, awareness and understanding of the Act. A total of 532 employees completed the training and responded to the questionnaire. The results were positive with employees confirming that they:

- are aware of and understand the requirements of the Act;
- have awareness of the initiatives undertaken by the university to reduce the risk of child and forced labour;
- have knowledge and understanding of the university's Supplier Code of Conduct;
- understand the expectations of university suppliers; and
- are knowledgeable about social responsibility, inclusivity, environmental stewardship, health, safety and labour practices, ethical business practices, animal welfare and supplier onboarding, accountability and due diligence.

In fiscal year 2025-26, the questionnaire and training material will be updated and distributed again to continue supporting this work.

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

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

In the coming year, the university will continue to review suppliers that had a high-risk rating during the scorecarding process, which will include providing support to implement corrective action plans to improve their results.

The university Supplier Code of Conduct continues to be reviewed annually and updated to include any new requirements. The Act and ESG training continues to occur annually.

Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* or “Act”, and in particular section 11 thereof, I attest that I have reviewed the information contained within this 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 Kate Chisholm, KC



Date May 31, 2025

signature

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