



FOR APPROVAL

PUBLIC

OPEN SESSION

TO: Business Board

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DATE: April 16, 2025, for April 23, 2025

AGENDA ITEM: 4

ITEM IDENTIFICATION:

Fighting Against Forced Labour and Child Labour in Canadian Supply Chains:
University of Toronto Annual Report 2025

JURISDICTIONAL INFORMATION:

The Business Board is responsible for consideration of policy and for monitoring matters affecting the business affairs of the University.

GOVERNANCE PATH:

1. **Business Board [For approval] (April 23, 2025)**

PREVIOUS ACTION TAKEN:

At the April 25, 2024 meeting, the Business Board approved the *Fighting Against Forced Labour and Child Labour in Canadian Supply Chains: University of Toronto Annual Report 2024*, and authorized the Chair of the Business Board to attest to the Minister of Public Safety that the information in the Report for the 2022-23 fiscal year is true, accurate and complete in all material aspects.

HIGHLIGHTS:

The Federal Government passed Bill S-211, the *Fighting Against Forced Labour and Child Labour in Canadian Supply Chains Act* (the “Act”) effective January 1, 2024. The purpose of the Act is “to implement Canada’s international commitment to contribute to the fight against forced labour and child labour through the imposition of reporting obligations on:

- a) Government Institutions producing, purchasing, or distributing goods in Canada or



elsewhere; and

- b) Entities producing goods in Canada or elsewhere or in importing goods produced outside Canada.”

The University of Toronto meets the definition of an Entity in the latter category under the Act by virtue of the goods we import to Canada for resale or use in the University’s operations. As a covered Entity under the Act, the University must, on or before May 31 of each year, report to the Minister on the steps we have taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods by the University, or in the production of goods imported into Canada by the University.

The Act requires that a report be approved by the Entity’s governing body on an annual basis and published on our website. At a minimum, the report must contain the following information about the University:

- a) its structure, activities and supply chains;
- b) its policies and due diligence processes in relation to forced labour and child labour;
- c) 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;
- d) any measures taken to remediate any forced labour or child labour;
- e) 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;
- f) the training provided to employees on forced labour and child labour; and
- g) how the University assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

The University has prepared the attached report for submission on or before May 31, 2025, based on the goods imported to Canada during the 2023-24 financial year. Procurement activities were carried out in a decentralized purchasing environment within the bounds of the University’s Procurement Policy, including the Supply Chain Code of Ethics. In summary:

1. The University of Toronto imported approximately \$41.1 million worth of goods to Canada in 2023-24, representing approximately 1.2% of total annual expenditures.
2. The majority of imported goods were from countries that are not on the ["high risk" list](#) identified by the Bureau of International Labor Affairs (ILAB). However, we recognize that there is an inherent risk of forced labour and child labour used in the production of goods in deeper tiers of the supply chain, for which we do not have data.
3. Activities undertaken in this reporting year focused on developing the tools and



resources necessary to raise awareness on the subject of Human Rights in Supply Chains and preliminary training for the procurement professionals working in units responsible for procurement activities. The standard Purchase Order terms and conditions were also updated to include Supplier obligations and warranties with respect to forced and child labour.

4. The university is not aware of any instances of forced labour or child labour that require remediation and has yet to develop a formal framework to mitigate any potential future risks associated with these practices in our supply chain activities.
5. Plans for the next reporting period and subsequent years are to continue raising awareness in the broader community, delivering advanced training with the procurement professionals, and exploring ways to open dialogue with high-risk suppliers. We will also look to improve our risk identification framework and more formally measure progress toward our overall objectives by implementing appropriate metrics and performance indicators.

FINANCIAL IMPLICATIONS:

None.

RECOMMENDATION:

BE IT RESOLVED

THAT the *Fighting Against Forced Labour and Child Labour in Canadian Supply Chains: University of Toronto Annual Report 2025* be approved; and

THAT the Chair of the Business Board be authorized to attest to the Minister of Public Safety that, having exercised reasonable diligence, the information in the Report for the 2023-24 fiscal year is true, accurate and complete in all material aspects for the purposes of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

DOCUMENTATION PROVIDED:

- *Fighting Against Forced Labour and Child Labour in Canadian Supply Chains: University of Toronto Annual Report 2025*

Fighting Against Forced Labour and Child Labour in Canadian Supply Chains: University of Toronto Annual Report

April 23, 2025



**DEFY
GRAVITY**

In accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, 2024, the University of Toronto is required to prepare a report for each financial year setting out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the university or of goods imported into Canada by the university. The University of Toronto's report for the financial year ended April 30, 2024, is provided below.

Reporting entity's legal name:	The Governing Council of the University of Toronto
Financial reporting year:	May 1, 2023 to April 30, 2024
Identification of a revised report:	N/A
Business number(s), if applicable:	108162330
Identification of a joint report, if applicable:	N/A
Reporting obligations in other jurisdictions:	N/A
Entity categorization according to the Act:	Entity (University)
Sector/industry:	Educational, Public Sector
Location:	Toronto, Ontario, Canada

Vigilant protection for individual human rights and resolute commitment to the principles of equal opportunity, equity and justice are central to the mission of the University of Toronto. We recognize that forced labour and child labour are significant global human rights issues, and we are committed to assessing and mitigating the risk of these exploitative practices in our supply chains.

Identifying and preventing forced labour and child labour is integral to the university's dedication to promoting social responsibility throughout the university's business processes. Current examples of this dedication include our Social Procurement Program and our Trademark Licensing Program.

As a national and global leader in post-secondary education, we also recognize our responsibility to advance public understanding of the risk of forced labour and child labour, including the need to educate members of the university community regarding the risk of these exploitative practices.

Structure

Founded in 1827 as King's College and existing, as of 1947, under the University of Toronto Act (revised in 1971), the University of Toronto is Canada's leading institution of learning, discovery, and knowledge creation. We are one of the world's top research-intensive universities and have a long history of transforming society through the ingenuity and resolve of our faculty, students, alumni, and supporters. Our impact in Canada and around the world is significant:

- 679,671 alumni (Fall 2023)
- 99,794 students in the 2023-24 academic year
- 26,165 employees (faculty, staff and librarians) (Fall 2023)
- \$3.62B annual operating budget for 2025-26

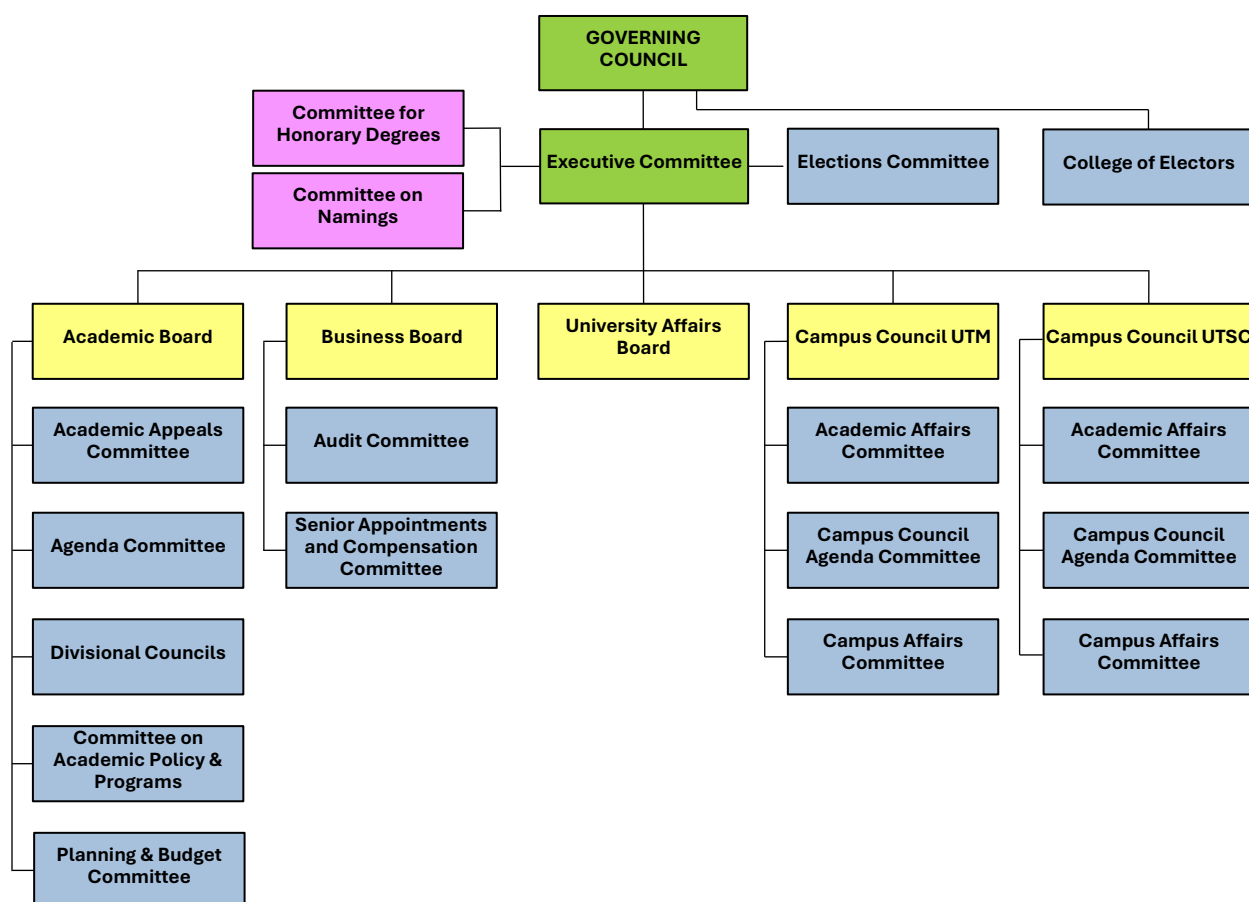
- \$1.48B in research funds awarded to U of T and partner hospitals from national and international sources in 2022-23
- Named the most sustainable university in the world by the QS World University Rankings: Sustainability 2025, which evaluates post-secondary institutions for their environmental impact, social impact, and governance.
- Ranked first in Canada and 21st globally in the Times Higher Education World Reputation Rankings 2025 based on a survey that asks experienced, published academics for their opinions on teaching and research excellence.

The Governing Council, established by the University of Toronto Act, 1971, oversees the academic, business and student affairs of the university. Together with the Chancellor, President and senior administration, the Governing Council represents the university's vision, mission, and purpose both locally and globally.

It is composed of 50 members – 25 members from within the internal university community (including administrative staff, teaching staff and students) and 25 members external to the university (including alumni and Lieutenant-Governor-in-Council appointees).

The governance structure of the University of Toronto comprises the Governing Council and its Boards, Campus Councils and Committees.

University of Toronto Governing Council – Board and Committees



The Business Board is one of the three Boards of the Governing Council. Its responsibilities include ensuring that resource allocations are responsible and cost-effective, and approving policy and major transactions in the business management of the university. The Business Board approves the U of T Procurement Policy and related supply chain activities.

Supply Chain Activities

To support the university's mission of fostering an academic community in which the learning and scholarship of every member may flourish, we collectively procure a wide range of goods and services in accordance with public procurement law and our ethical sourcing principles. The university imported approximately \$41.1 million worth of goods to Canada in 2023-24, representing approximately 1.2% of total annual expenditures.

The university recognises there is a risk of forced labour and child labour across our supply chains, and that this risk may be more likely in certain supply chains based on their geographical location and/or source locations for materials and products the university procures. The majority of sourcing activities are with countries where the risk of forced labour and child labour is low, but we understand that there can be a lack of visibility in certain markets, particularly in secondary and deeper supply chain tiers, and in source materials.

Policies and Due Diligence

As the public procurement landscape continues to evolve, with greater emphasis on transparency, accountability and social responsibility, the University of Toronto must maintain high legal, ethical, and professional standards in the management of the resources entrusted to it.

The university's Procurement Services department oversees compliance with procurement directives, legislation, and international trade agreements. The department also undertakes procurements through collaborative frameworks such as the Ontario Education Collaborative Marketplace (OECM) and other consortia, including Supply Ontario Vendor of Record arrangements, to leverage collective purchasing power and achieve cost efficiencies.

Operating in a decentralized environment, individual units across the university manage procurement processes locally where the value is less than the open competitive threshold as outlined in the Broader Public Sector Procurement Directive.

The university's Procurement Policy is reviewed periodically to ensure compliance with federal and provincial legislation and related regulations, as well as domestic and international trade agreements. The Policy is principles-based and includes a Code of Ethics that applies to all involved in procurement activities.

While the university's Procurement Policy establishes high-level procurement governance, its ongoing operation is delegated to the University of Toronto administration. Given the university's size, scope and governance structure, procurement activities are conducted throughout the institution via our three campuses and specialized buying centres, which are responsible for purchasing specific categories of goods and services such as construction, utilities, and library collections, as well as food, textbooks, and other merchandise intended for resale.

The following programs and policies highlight the university's commitment to ethical procurement practices:

Social Procurement Program

To strengthen our supply chain, mitigate disruption and contribute to fostering a more equitable and prosperous economy, the university introduced the Social Procurement Program. Officially launched in October 2023, the program provides the U of T buying community with a connection to approximately 4,000 Canadian suppliers who rely on local materials and local employers. Typically, these suppliers have a socially responsible mission and contribute to community wealth-building. By encouraging local buying, the university is improving supply chain visibility and reducing the risk of forced labour and child labour.

Trademark Licensing Policy

The University of Toronto takes pride in our campuses, students, faculty and brand. The Trademark Licensing Office ensures the production of university merchandise is aligned with our values. In 2000,

we became the first Canadian university to pass a policy ensuring that all merchandise bearing the university's marks are produced under humane and non-exploitative conditions. All branded merchandise must be ordered through a licensed vendor, ensuring that those who create our merchandise uphold the university's commitment to ethical sourcing (<https://trademarks.utoronto.ca/>).

Moreover, the university has adopted a Trademark Licensing Policy and a University Code of Conduct for Licensees, which includes an explicit standard on Child Labour: "No person shall be employed at an age younger than 15 (or 14 where, consistent with International Labour Organization (ILO) practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section." Licensees agree to work with governmental, human rights and non-governmental organizations, as determined by the university and licensees, to minimize the negative impact on any child released from employment as a result of the enforcement of this Code. The Code of Conduct also includes this standard on Forced Labour: "There shall not be any use of forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise.""

Procurement Operations

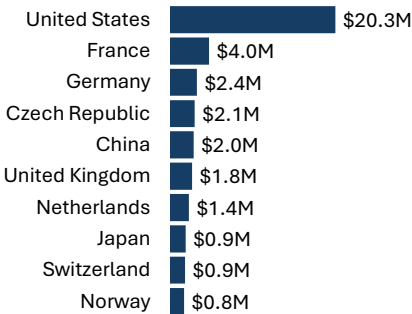
The University has updated its Purchase Order (PO) Terms and Conditions to support the University's compliance with the Act. The updates require that Suppliers represent and warrant that they do not and will not use forced or child labour as defined in the Act, and that they will take reasonable steps to reduce such risks in their supply chain.

Assessing Forced Labour and Child Labour Risks in Our Supply Chains

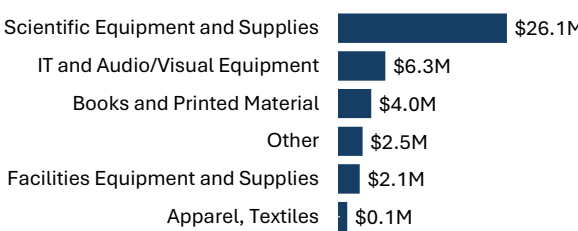
We recognise there are risks of forced labour and child labour in the supply chains for all types of goods and services procured by the university. By its very nature, forced labour and child labour are hard to detect and often hidden within seemingly legitimate industries.

At the University of Toronto, we based our risk analysis on the categories of goods that are most widely used in our context. The charts below reflect the product categories we import and the countries of origin.

2023-24 Imports by Top 10 Source Countries



2023-24 Imports by Category



We rely on the extensive work done by other institutions, governments, and NGOs to assist us with identifying procurement categories of greater risk of forced labour and child labour, particularly in the higher education sector. Based on the sectors identified by the Bureau of International Labor Affairs (ILAB), we believe the University’s supply chain may face its most significant risk exposure to child or forced labour in the import of scientific equipment and supplies, books and printed materials, IT and A/V equipment, and apparel and textiles—particularly with second-tier suppliers and beyond.

Remediation Measures

The U of T is not aware of instances of forced labour or child labour that require remediation and has yet to develop a formal framework to mitigate any potential future risks associated with these practices in our supply chain activities.

Training and Capacity Building

The University is committed to increasing awareness of the requirements under Bill S-211. As part of this effort, we are collaborating with the Ontario University Professional Procurement Management Association (OUPPMA) to develop a common training framework on forced and child labour for procurement professionals. The framework aims to help procurement professionals recognize and mitigate human rights risks in supply chains, ensure compliance with Bill S-211, and support ethical procurement practices through informed decision-making, stakeholder engagement, and supplier accountability.

This year, we focused on raising awareness of Human Rights in Supply Chains and provided training to professional procurement staff which covered procurement’s role in ethical sourcing, key compliance requirements under Bill S-211, and identifying red flags in high-risk industries.

In parallel, the Ontario university sector works with CASPAR, a national association focused on Sustainable Procurement. Together, we have developed an awareness video for broader campus communities of decentralized purchasers. This video covers key topics such as human rights risks, forced labour and child labour, and ethical supply chain management.

Monitoring Effectiveness

Additionally, the University is developing a reporting framework to systematically identify and monitor high-risk areas within its supply chain, focusing on commodities, sourced countries, and suppliers vulnerable to forced and child labour. This framework will incorporate supplier disclosures, audit results, and external benchmarks to track compliance and detect emerging risks.

Plans to Support the Fight Against Forced Labour and Child Labour

The university will continue its efforts to combat forced labour and child labour in its supply chains and evolve its practices over the next several years. In the short term, this means focusing on the foundational supports required to address these risks more fulsomely in our procurement environment. In the next fiscal year, the university intends to:

- Research and adopt an approach to supplier conduct that aligns with best practices across the industry and sector;
- Formalize a high-risk supplier identification process;
- Examine ways to enhance and automate supplier onboarding and data reporting processes as part of our modernization initiatives;
- Continue our work with peer institutions across the country to implement due diligence methods which will open dialogue with suppliers in high-risk areas; and
- Support our procurement professionals with advanced training to manage these actions, while fostering greater awareness across the university community.

This plan will position the university to better inform our framework to identify and monitor high-risk areas in our supply chains over the longer term.

Approval and 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 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 aspects for the purposes of the Act, for the reporting period listed above.

I/we have the authority to bind the University of Toronto.

Signature

Name: Trevor Rodgers
Title: Chief Financial Officer
Date: April 9, 2025

Signature

Name: Rajiv Mathur
Title: Chair of the Business Board of the Governing Council of the University of Toronto
Date: April 23, 2025