



EBSCO Canada Limited

Forced Labour and Child Labour in Supply Chains Company
Assessment

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Background

Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains.

The measures introduced through Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), aim to increase industry awareness and transparency and drive businesses to improve practices. The Act requires entities to report on the steps taken during its 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 in Canada or elsewhere by the entity or of goods imported into Canada by the entity. There are seven mandatory reporting areas that must be investigated and reported on which include:

- Its structure, activities, and supply chains.
- Its policies and due diligence processes in relation to forced labour and child labour.
- The parts of its business 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.
- How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

Introduction

This report is EBSCO Canada Limited (“EBSCO” or “Entity”) response to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act), sections 11(1) and 11(3).

EBSCO satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada and meeting both the revenue and asset thresholds.

The financial reporting year of EBSCO covered by this report is for the year ended June 30, 2023.

Structure, Activities & Supply Chain

EBSCO operates as a corporation (business number: 100782424) with its headquarters located at 345 Kingston Road, Unit 308, Pickering, ON, L1V 1A1. There are 50 employees of the Entity. EBSCO is a subsidiary of EBSCO International Inc., which is headquartered in the United States.

The Entity is a provider of research databases, e-journal and e-package subscription management, book collection development and acquisition management, and a major provider of library technology, e-books and clinical decision solutions for universities, colleges, hospitals, corporations, government, K12 schools and public libraries worldwide.

In providing these services, EBSCO partners with its customers and other industry-leading organizations to improve research and outcomes through quality content and technology.

EBSCO operates within the primary components of:

1. Subscription and book agent services where EBSCO functions as an intermediary between publishers and organizations who purchase content produced by publishers.
2. Reselling of published content that is packaged for sale to academic, corporate, medical, and government institutions.
3. Development of software as a service, which is sold to academic, corporate, medical, and government institutions worldwide.

EBSCO’s supply chain involves content producers, publishers, support service providers, and the purchasers of content. Most publications supplied in both scenarios come from large commercial organizations in Europe or North America, or from smaller academic organizations who consume content from writers seeking to be published.

Policies & Due Diligence Processes

EBSCO has the following policies and due diligence procedures in place to mitigate the risk of child labour and forced labour within internal activities and their supply chain:

Internal Policies

Employee Code of Conduct

Employees are trained on both the Code of Conduct, which addresses EBSCO's commitment to the United Nations Universal Declaration of Human Rights, as well as the risks of modern slavery and expectations for employees regarding such risks.

EBSCO's Employee Code of Conduct is provided to all employees as part of the onboarding process and outlines the Entity's standards and expectations of behaviour. EBSCO respects the rights of every individual and abides by the employment laws in the markets where operating.

Stated within this code, EBSCO supports and promotes a workplace environment free from discrimination based on race, skin colour, religion, creed, sexual orientation, disability, gender, age, national origin, citizenship status, marital status, veteran status or any other legally protected characteristics.

If an employee has a concern regarding the misconduct of another employee or concerns related to this Act, they are encouraged to report the incident using EBSCO's Ethical Reporting Hotline.

ABC reviews the Code of Conduct with employees during onboarding and annually thereafter, ensuring their understanding and adherence to expectations.

EBSCO Ethical Reporting Hotline

If an employee has concerns regarding the conduct and behaviour of others or, suspected or actual instances of issues relating to this Act, individuals are encouraged to report their concerns using EBSCO's Ethical Reporting Hotline.

All reports made are sent to a third-party therefore, ensuring that they are dealt with responsibly and timely. Employees have the option to report anonymously if desired. EBSCO does not tolerate retaliation against any employee who reports in good faith.

Anti-Corruption Policy

EBSCO's Anti-Corruption Policy strictly prohibits all forms of corruption and bribery. This policy applies to directors, officers, and employees, as well as agents, consultants, joint venture partners, and any other third-party representatives. To ensure compliance, EBSCO provides anti-corruption training and resources to applicable employees and agents. By doing so, the company reinforces its commitment to maintaining the highest ethical standards across all levels of its operations and partnerships.

Due Diligence Processes

Supplier Code of Conduct

EBSCO continues to only use suppliers that are trusted and compliant with employment law and human rights legislation. Our Supplier Code of Conduct specifically prohibits forced labour, child labour, and human trafficking. Suppliers are expected to cascade similar expectations through their own supply chains.

The Supplier Code of Conduct explicitly states that suppliers will not use slave, prisoner, or any other form of forced or involuntary labour, and they are also prohibited from employing child labour. EBSCO has a zero-tolerance regarding the employment of children, emphasizing their commitment to ethical labour

practices. Additionally, harassment or discrimination of any kind will not be tolerated by EBSCO, and suppliers' employees have the right to refuse work. The Code of Conduct requires suppliers to comply with all applicable laws and regulations in their country of operation to ensure fair and lawful treatment of their workforce.

Supplier Contracts

Where supplier contracts are used, EBSCO requires vendors to comply with all applicable laws, ordinances, codes, regulations, standards and judicial and administrative orders related to their performance with the Entity. Suppliers are also expected to adhere to EBSCO's Code of Conduct and Anti-Corruption Policy.

EBSCO holds audit rights in some of its contracts with suppliers, allowing the opportunity to review supplier compliance with certain terms and conditions of EBSCO. These assessments do not specifically focus on child labour or forced labour however, this has been identified as an opportunity to develop going forward.

Monitoring and Reporting

EBSCO monitors its operations, partners, and suppliers for potential violations on an ongoing basis and will act if a violation occurs up to and including termination of employment or contract. Employees, suppliers, contractors, or others can report any incidents or concerns using EBSCO's reporting system available at ebscointegrity.com.

EBSCO has identified the opportunity to include audit requirements related to its Supplier Code of Conduct, including compliance with laws on human trafficking and slavery, within all supplier contracts. This exercise will allow EBSCO to further assess its effectiveness in evaluating and mitigating risks related to this Act.

Supply Chain Risk Assessment

A risk assessment of EBSCO's industry of operation, goods procured, and countries goods are procured from has been performed over material direct suppliers. For the purposes of this report, material suppliers are those who account for at least 1% or more of EBSCO's total publisher procurement spend during the 2023 fiscal year. This risk assessment used two separate indices to conclude on the inherent risk of child and/or forced labour related to industry, goods and countries - Walk Free's Global Slavery Index and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor.

Industry of Operations

EBSCO operates within the information services industry. This industry has not been identified within these two indices as having an inherent risk exposure to child and/or forced labour.

Countries Goods are Procured From

For this assessment, a review of countries which goods are procured from focuses on the location of direct publisher operations. Direct material publishers of EBSCO are located in Canada, the United States, the United Kingdom, Netherlands, Germany, Switzerland and Singapore. Each of these countries has been identified by the two indices as having a low-risk exposure to child and/or forced labour.

Goods Procured

As described in the previous section, EBSCO's supply chain involves content producers, publishers, support service providers, and the purchasers of content. A risk assessment of the goods within these categories has been conducted and identified an initial inherent risk of forced and/or child labour among the procurement of electronics.

All other remaining goods were not identified within the two indices, therefore concluding a low-inherent risk exists.

Remediation of Forced & Child Labour

To mitigate the risk of child labour and forced labour within supply chains, EBSCO incorporates the following mechanisms for supplier due diligence:

Supplier Code of Conduct

All suppliers of EBSCO are expected to adhere to the Supplier Code of Conduct. This code explicitly prohibits suppliers from using slaves, prisoners, or any other form of forced or involuntary labour, as well as from employing child labour, therefore reflecting EBSCO's commitment to ethical labour practices. Furthermore, EBSCO does not tolerate any form of harassment or discrimination, and suppliers' employees have the right to refuse work. The Code of Conduct mandates that suppliers comply with all applicable laws and regulations in their country of operation to ensure fair and lawful treatment of their workforce.

Supplier Contracts

EBSCO's Supplier Contracts require suppliers to comply with all relevant laws, regulations, and orders when fulfilling their obligations with EBSCO. Additionally, by signing the contract, suppliers are expected to adhere to EBSCO's Code of Conduct, which specifically prohibits the use of child and forced labour.

Monitoring and Reporting

EBSCO continues to monitor its operations, partners, and suppliers for concerns and violations, including those related to this Act. EBSCO encourages its suppliers and employees to report any concerns related to behavior or conduct, using the Entity's Ethical Reporting Hotline.

Using these mechanisms, EBSCO is continuing its efforts in evaluating and mitigating the risk of child labour and forced labour through its supply chain and activities.

Remediation of Vulnerable Family Income Loss

EBSCO is in the process of understanding and evaluating its supply chain related to the risk of child labour and forced labour. To date, EBSCO has not identified instances of the use of child labour or forced labour within their operations or those of suppliers. EBSCO is continuing its review of procurement practices to enhance the rigor of its due diligence processes including raising awareness with its suppliers.

Awareness Training

EBSCO does have formal training in place for employees on the topic of child labour or forced labour – Modern Slavery Training. During these sessions, employees are trained on EBSCO's Code of Conduct, which addresses its commitment to the United Nations Universal Declaration of Human Rights, as well as the risks of modern slavery and EBSCO's expectations for employees regarding these risks. This training is offered to employees at time of hire and required to be completed every three years following.

Additional training provided to employees includes the review of relevant policies identified above. When onboarding new employees and every three years following, part of this process involves reviewing the Employee Code of Conduct, Anti-Corruption Policy and Ethical Reporting Hotline, to ensure the individual understands the Entity's standards and expectations. Sections within these documents which are relevant to child labour and forced labour include EBSCO's intolerance for discrimination, advocating for the respect of individual rights, and encouraging employees to report any conduct or behavioural concerns.

Assessing Effectiveness

To track EBSCO's effectiveness of procedures to mitigate the risk of child labour and forced labour, the following mechanisms are in place:

Internal Activities

EBSCO's internal policies continue to be compliant with current human rights and employment law legislation and are regularly reviewed and amended in accordance with any statutory changes. The Entity also provides training to employees at time of onboarding, and every two years following on Modern Slavery including content explicit to risks relating to this Act. This training increases employees awareness of the Act and therefore, is a mechanism to reduce the risk of child labour and/or forced labour within EBSCO's activities.

Supplier Activities

As a first step, EBSCO has identified its first-tier suppliers. The Entity has committed to sending its supplier code of conduct to all suppliers, requesting their attestation. The suppliers identified in high-risk products, sectors or countries will be targeted for follow-up on all attestations. In addition, the high-risk vendors will be asked to attest on at least a bi-annual basis.

EBSCO assigns a person or committee to review the attestations and make determinations of acceptability. Reviewers will accept non-compliance for the following scenarios, provided such acceptance of risk and the related reasoning are documented within the attestation system:

- a. Submission of a comparable code of conduct used for the respondent's supply chain.
- b. Response: Inability to attest to the verification and compliance portion of the policy: Annual spend of \$100,000 or less; services infrequently used; services do not directly support our customers; vendors not providing high-risk services or providing services in high-risk countries.
- c. Non-Response: Annual spend of \$100,000 or less; services infrequently used; services do not

directly support our customers; vendors not providing high-risk services or providing services in high-risk countries.

EBSCO is evaluating the implementation of compliance attestations and audit rights within supplier contracts related to these areas and consider the use of on-site audits for compliance.

Steps Taken to Prevent & Reduce Risk of Child Labour or Forced Labour

EBSCO has taken the following steps to prevent and reduce the risk of child labour or forced labour:

1. Mapping activities: As part of this report, EBSCO has mapped its activities to complete a risk assessment to align with the Act.
2. Mapping supply chains: As part of this report, EBSCO has mapped its supply chain to complete a risk assessment to align with the Act.
3. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: As part of this report, EBSCO has identified risks within its activities and supply chain that have inherent risks of child labour and/or forced labour. EBSCO recognizes the need to further develop this risk assessment process to expand beyond evaluating tier 1 suppliers as well as gathering additional information on source countries and goods, to fully assess this risk across the supply chain.
4. Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains: EBSCO has acquired the services of a third-party to assess risks related to this Act within the Entity's activities and supply chain.
5. Developing and implementing due diligence policies and processes for identifying, addressing, and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains: See policies and due diligence processes section for those identified as relevant to this Act.
6. Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists: EBSCO has identified expectations of suppliers regarding child and forced labour within its supplier Code of Conduct and supplier contracts.
7. Monitoring suppliers: Suppliers are monitored on an ongoing basis. EBSCO holds audit rights in some of its contracts with suppliers and therefore, allows the opportunity to review supplier compliance with the Code of Conduct and supplier contract, where applicable.
8. Developing and implementing training and awareness materials on forced labour and/or child labour: EBSCO does have formal training in place for employees on the topic of child labour or forced labour – Modern Slavery Training.
9. Developing and implementing procedures to track performance in addressing forced labour and/or child labour: EBSCO has identified mechanisms in place and to be developed relating to assessing the effectiveness of reducing the risk of child labour and forced labour within internal activities and those dealing with suppliers.

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 respects for the purposes of the Act, for the reporting year listed above.

Full Name	<i>Bowen Thagard</i> Signature
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Title	Date
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I have the authority to bind EBSCO Canada Limited.