



Bill S-211
April 2024

McMASTER UNIVERSITY

Fighting Against Forced Labour
and Child Labour in Supply
Chains Act
Public Safety Canada Report

**Reporting entity's legal name: McMaster
University**

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

Identification of a revised report: N/A

Business number(s): 11903 5988

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: Hamilton, Ontario, Canada

ABOUT MCMASTER UNIVERSITY

As one of Canada's most research-intensive universities, McMaster University cultivates a community that unites the best and brightest minds within our diverse student body and prepares them to make a positive and effective contribution to the world. In fiscal 2023, McMaster University enrolled approximately 25,000 undergraduate students, 3,200 graduate students and 9,000 employees. Among the top 100 universities in the Shanghai Ranking's Academic Ranking of World Universities 2023, McMaster is consistently ranked among Canada's most research-intensive universities (Research Infosource 2022). In 2022, we were ranked #2 in faculty research intensity and graduate student research intensity. With a total research income of \$374.6 million, McMaster research teams are making discoveries and advancing knowledge in every discipline. McMaster's commitment to the United Nations' Sustainable Development Goals has earned the university the rank of 33rd in the world in The Times Higher Education (THE) 2023 Impact Rankings. In Canada, McMaster has ranked first in Good Health & Well-Being, Decent Work & Economic Growth and Partnerships for the goals as part of our commitment to thinking globally in our research.

As a part of McMaster University's Institutional Priorities and Strategic Framework for 2021-2024, the university has a vision of advancing humans as a part of societal health and well-being. McMaster University acknowledges that forced labour is a human rights issue, and we understand we have a responsibility to mitigate all forms of exploitive practices within our operations and supply chain. As addressed in this report, McMaster University has a role in supporting ethical practices in the supply chain as per Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act.

STRATEGIC PLAN: INSTITUTIONAL PRIORITIES AND STRATEGIC FRAMEWORK

McMaster University has a Strategic Plan which guides the University's collective efforts around five key institutional priorities, with each priority becoming a strategic goal with associated objectives, activities, and metrics. It is intended to be a living and evolving document and will serve as McMaster's agenda and accountability statement. Ethical practices in supply chain composition fall under the Operational Excellence and Global Communities Strategic Framework.

Inclusive Excellence: aspire to embed an inclusive approach that intentionally engages and respects a diversity of peoples, perspectives, and ways of knowing, in everything we do.

Teaching and Learning: further advance and support innovation in teaching and learning, within and beyond the classroom, and across disciplines and Faculties, to elevate teaching as a professional discipline, and equip our students with the knowledge and skills needed to make a transformative impact on our world.

Research and Scholarship: be the go-to place for world-class researchers and collaborators who share our values and commitment to working together across disciplines, sectors, and borders to develop knowledge, tackle global issues, and advance human understanding.

Engaging Local, National, Indigenous and Global Communities: further develop and expand our network of longstanding and respectful partnerships with communities, partners, research collaborators, and supporters for the benefit of all.

Operational Excellence: enable the administrative operations of the University to most effectively support the institutional vision and aspirations of our community of researchers, scholars, teachers, and learners.

REPORTING ENTITY AND STRUCTURE

McMaster University is governed by two separate bodies: the Senate for academic matters and the Board of Governors for financial and operational matters. The Board of Governors authorizes the annual budget, approves capital projects, ensures management of financial investments, and ensures the University is meeting its financial goals. In addition, the Board of Governors has sub-committees to address the University's specific needs.

MCMASTER UNIVERSITY SUPPLY CHAIN

The University has several policies and procedures which govern our activities and aim to reduce the risk of modern slavery in our operations and supply chain. These include, but are not limited to:

- Ontario Broader Public Sector Directive
- Supplier Code of Conduct
- Supply Chain Code of Ethics
- Request for Tender Documents
- Processes for Ancillary Operations

McMaster University's spend for fiscal reporting year May 1, 2023, to April 30, 2024, is approximately 200M of which an estimated 70% is with Ontario suppliers and 83% is with Canadian suppliers.

Policies and Procedures - Ontario Public Sector Directive

As an organization that is governed by the Ontario Broader Public Sector Procurement Directive, McMaster University engages in ethical, fair, and transparent procurement practices which align with the Supply Chain Code of Ethics contained within the Directive. We continuously work with our supply chain partners to improve purchasing practices and to ensure the best value for money. As a large Canadian educational institution, McMaster University has a diverse population of students, staff and employees which require a vast mosaic of goods and services. These may include, but are not limited to engineering services, fuel for the nuclear reactor, furniture, laboratory supplies, consulting services, construction services, IT goods and services, food, athletic wear and so on. Wherever possible, the University onboards opportunities from collaborative purchasing groups such as the Ontario Education Collaborative Marketplace (OECM) which was originally established by the provincial government to encourage collaboration.

The University also engages in collaborative Vendor of Record (VOR) arrangements with other Ontario universities in situations of shared items of interest to leverage purchasing power, to help reduce administrative costs, and to reduce repetition of administrative tasks and share workload. Examples of such collaborative opportunities with participation from multiple Ontario universities are laboratory suppliers and equipment, and Apple brand products and services.

To further support Bill S-211 and the Building Ontario Business Initiatives (BOBI) established by the Ontario government, as of April 1, 2024, McMaster University has added two attestations to our supplier onboarding portal. Potential suppliers must self-identify if they qualify within the definition of an Ontario

Business for BOBI. Potential suppliers must also self-identify whether they are in compliance with the ethical principles and employment standards for Bill S-211. These attestations will require suppliers to confirm their compliance with these initiatives which will assist McMaster staff in making informed decisions when choosing a supplier and will aid in Ontario Ministry and Federal reporting.

- A. *As an Ontario Public Sector entity, McMaster University is required to comply with the Fighting Against Forced Labour and Child Labour in Supply Chains Act to protect vulnerable populations from human rights abuses and exploitation. <https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-spply-chns/index-en.aspx>*

As a supplier to McMaster University, I attest that my organization complies with ethical principles and employment standards for goods and services that were not produced with forced or child labour (alignment with International Labor Organization practices).

- B. *I confirm my organization qualifies as an Ontario Business under the Building Ontario Businesses Initiative Act (BOBI) which defines an Ontario Business as a supplier, manufacturer, or distributor of any business structure that conducts its activities on a permanent basis in Ontario and meets one of the following criteria:*

- a) *has its headquarters or main office in Ontario, or*
- b) *has at least 250 full-time employees in Ontario during the applicable procurement process.*

Policies and Procedures: Supplier Code of Conduct

McMaster University is committed to conducting its business affairs in a socially responsible and ethical manner consistent with its educational, research and service missions, and to protecting and preserving the global environment. McMaster University seeks to achieve its aims through a variety of means including this Code of Labour Practices, which is a statement of minimum standards concerning labour practices. Suppliers, subcontractors, and licensees of McMaster University that fall within the scope of this Code are expected to comply with this Code, excerpted below (the current policy is being reviewed and will be augmented with the following standards).

University Suppliers and Subcontractors shall comply with the following standards:

- I. There shall be no new use of child labour and all current child labour shall be subject to Section III.B.4.ii. The term "child" means any person less than 15 (or 14 if local law sets minimum employment age at 14 consistent with developing country exemptions under the ILO Minimum Age Convention 16), unless local laws stipulate a higher age for work or mandatory schooling, in which case the higher age shall apply.
- II. There shall not be any use of forced prison labour, indentured labour, bonded labour or other forced labour.

<https://financial-affairs.mcmaster.ca/app/uploads/2019/02/Appendix-C-Code-of-Labour-Practices.pdf>

Policies and Procedures: Supply Chain Code of Ethics

McMaster University is committed to acting in an ethical, legally compliant, and socially responsible manner and requires our staff to adhere to similar standards. We have a clear code of behaviour for day-to-day activity undertaken on behalf of the University. The Supply Chain Code of Ethics sets out the minimum ethical standards and business conduct for staff, students or any individuals who procure goods or services on behalf of the University. The Supply Chain Code of Ethics references and must comply with the Code of Ethics and Laws of Canada and Ontario. This policy is being reviewed and will be augmented accordingly.

https://financial-affairs.mcmaster.ca/app/uploads/2019/02/supply_chain.pdf

Policies and Procedures: Request for Tender Documents

McMaster University's efforts to date in this area regarding our formal Request for Tender documents have been focused on supporting the University's commitment to the UN Sustainable Development Goals (SDG). In 2022, McMaster University began to include sustainability as a measurement within 100% of its Request for Proposal tender request for bid submissions. Within the measurement of sustainability is the examination of sustainability beyond environmental sustainability, to examine the Total Cost of Ownership, how the product assists the supplier's sustainability goals, Eco Vadis scores and Ecolabels, to name a few. It was recognized that it is important for McMaster to value the sustainability of our suppliers and reward the companies with a strong commitment to sustainability within their bid submissions. The potential bidders are provided links to the UN's SDGs within the bid document as a reference source. One UN SDG is Reduced Inequalities and a call to action to reduce inequalities within and amongst its member countries. Another UN SDG is Decent Work and Economic Growth which supports fighting against child and forced labour and supports humane working practices within supply chains.

For future templates, a mandatory section will be added to both the terms and conditions of the bid documents and the Form of Agreement confirming that as an Ontario Public Sector entity, McMaster University is required to comply with Fighting Against Forced Labour and Child Labour in Supply Chains Act to protect vulnerable populations from human rights abuses and exploitation and that the organization with which we enter a contract complies with ethical principles and employment standards for goods and services that were not produced with forced or child labour (alignment with International Labor Organization practices).

Policies and Procedures: Ancillaries Operations

McMaster University's ancillary operations include our campus hospitality services and campus store. Higher education is at the forefront of today's efforts to contribute to the health & well-being of our communities; minimize impacts on the environment; and, influence future leaders to become responsible global citizens. Hospitality operations are in a position filled with opportunities and challenges that go beyond simply providing menu options, we must now provide responsible leadership and guidance to enhance social, environmental, and economic stewardship.

Our supply chain efforts for Campus Hospitality Services focus on our Tier 1 suppliers which we rely on most of all to deliver our business objectives. All non-franchise coffee locations serve Fair or Ethical Trade

Coffee and Tea. Campus Hospitality Services has a focus on purchasing locally and uses Sysco Food Service as the primary food service provider which sources the majority of its food product from Ontario, Canadian and North American food sources. Campus Hospitality Services did an inquiry on our Tier 1 food suppliers and manufacturers which confirmed that supplier risk screening and reporting is performed to ensure responsible sourcing. As we become increasingly aware of these broad impacts, a commitment to aligning a socially responsible procurement approach with the McMaster strategic framework is paramount.

The Campus Store, owned and operated by McMaster Retail operations, provides the campus community and alumni with official McMaster merchandise including a wide range of textbooks, general books, supplies, and promotional and custom merchandise. Campus Store compiled attestations from five of their highest-spend vendors regarding compliance with ethical principles and employment standards for goods and services, that were not produced with forced or child labour (in alignment with International Labor Organization practices).

Risk Mitigation

McMaster will take a multi-stage approach to this to mitigate risk on multiple levels. Given the highly decentralized nature of the administration of the University, its size, the diversity of its population, and the diversity of the products and services purchased, a proportional response will be taken to the risk assessment. Currently, 7,600 companies and individuals are active in our procurement system. Furthermore, in a typical financial year, an additional 1,000 will be added.

We will continue to focus our efforts on our Tier 1 suppliers which we rely on for a good portion of our daily operational spend. McMaster continues to onboard primarily Ontario-based suppliers to ensure compliant labour sources. Promoting Ontario suppliers with our University community will reduce the risk of outsourcing goods and services to a foreign supplier that might use child or forced labour sources in its direct or indirect resources. A due diligence process has been used to select suppliers.

For our secondary suppliers, attestation of BOBI and Bill S-211 compliance will be required.

Training and Education

Due to the size and decentralization of McMaster University's workforce, as well as the nature of spending and constant onboarding of suppliers, education and training for staff and suppliers will be an ongoing activity. General staff training is available through the MacBuy Portal modules. Additional information on ethical procurement regarding child and forced labour will be added to the training material.

McMaster University Strategic Procurement staff have been educated on Bill S-211 and will be given additional professional training, notably from the Provincial or Canadian Institutes of Public or Private Procurement. Most current Strategic Procurement staff have a public procurement certificate. Supplementary training will be made available for staff to ensure their skills remain current.

KPIs

Relevant Key Performance Indicators include:

- *% of spend with Canadian suppliers*

- # of non-compliant suppliers (via attestation results)

Approval and attestation

By 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 Act, for the reporting year listed above.



Name: Jane Allen

Title: Board Chair

Date: May 13, 2024

I/We have the authority to sign on behalf of McMaster University