



Royal Institution for the Advancement of Learning / McGill University

Financial Reporting Year 2024

Annual report in compliance with the

Fighting Against Forced Labour and Child Labour in Supply Chains Act



Board of Governors Approval and Signed 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 McGill University. 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 2024.

I have the authority to bind McGill University,

Full name: Maryse Bertrand

A handwritten signature in blue ink that reads "Maryse Bertrand".

Title: Chair of the Board of Governors

Date: May 28, 2024



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Introduction

McGill University is submitting this report as an “entity” under the provisions of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (hereafter “the Act”). The University is an “entity” under the Act because it has a place of business in Canada, it had at least \$20 million in assets for at least one of its two most recent financial years, it has at least 250 employees, and imports goods into Canada. McGill University is subject to Quebec’s *Act respecting contracting by public bodies* and some of its acquisitions are strictly acquired through group purchases, as determined by Government decree.

Reporting under subsection 11(1)

Description of the steps taken by McGill University to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods imported into Canada by McGill University.

McGill University has a Supplier Code of Conduct which is embedded in the terms and conditions of all contracts and purchase orders (for the acquisition of goods, services and construction works). This Code of Conduct requires that the University’s suppliers “Respect the Fundamental Principles and Rights at Work and 11 Fundamental Instruments of the International Labour Organization (ILO)” including the Forced Labour Convention of 1930 (No.29) and the Worst Forms of Child Labour Convention of 1999 (No. 182). The supplier Code of Conduct is available in English and in French on the University’s website.

The University’s Procurement Services unit uses an approach of risk assessment leading to due diligence processes which requires suppliers in high-risk sectors and/or with high-risk activities to demonstrate the existence and use of their own Supplier Code of Conduct, applicable to their supply chains. For the moment, the University focuses on the following areas: Food, Electronics and Research Equipment, Apparel and Lab supplies.

These categories have been prioritized, based on:

- ✓ Our level of spend in these respective categories.
- ✓ A review of the risks established (by type of goods) by the U.S. Department of Labor’s ILAB “Sweat and Toil” application.
- ✓ An understanding of the material content and production tied to high-risk extractive industries and conflict minerals, including tin, tantalum, tungsten, and gold (3TGs).
- ✓ Risks associated with production in various jurisdictions, as documented by the Walk Free Global Slavery Index.
- ✓ Reports and information provided by the Business and Human Rights Resource Center, Human Rights Watch, and other similar reputable NGOs.
- ✓ Regular monitoring and consultation of NGO reports and media coverage on issues related to forced labor and child labor.



Other relevant activities aimed at preventing or reducing risks are as follows:

- ✓ The University's Procurement Services unit requires some suppliers to be members of industry initiatives ensuring that their supply chain is audited / screened for forced labor and child labor. For example, we require that IT product suppliers be members of the Responsible Business Appliance (formerly EICC).
- ✓ The University is a member of the Fair Labor Association (FLA), which helps contribute to more responsible supply chains in the apparel industry.
- ✓ We encourage our professional buyers and internal clients to make acquisitions from local suppliers and social economy suppliers where the amounts of such acquisitions remain below trade agreement amount thresholds for public tendering. Such acquisitions may be less likely to lead to forced labor and child labor.
- ✓ As part of our public tendering process, we started requiring that bidders in "at risk" categories provide a copy of their own Supplier Code of Conduct and ensure that these documents contain provisions against forced labor and child labor.
- ✓ We became a Fairtrade "Silver" campus and have been taking steps to increase the share of Fairtrade certified products in our purchases of coffee, chocolate, sugar and tea in our food courts and events. Forced labour and child labour are prohibited under the Fairtrade standard.
- ✓ McGill University's Procurement Services contribute to the work of standard development organisations in the area of corporate social responsibility as a means to encourage industry engagement and compliance. McGill has designated a purchaser stakeholder representative in the National Science Foundation (NSF)'s technical committee reviewing standards for corporate social responsibility in the electronics industry (including the development of measures pertaining to the respect of Human Rights and ILO Core Conventions). This participation helps inform the University's strategies for reducing risks in its supply chain while conveying the importance of reducing these risks to partnering industry members.
- ✓ The Procurement Services unit also collaborates with other higher education institutions to develop capacity building regarding sustainable procurement, including Human Rights and environmental due diligence processes, sharing training materials, and holding collaborative workshops.



Reporting under subsection 11(3)

A. Structure, activities, and supply chains

McGill University is a leading research and education institution. It is a non-profit organization located in Montréal, Canada. The University has approximately 45,000 students and just under 10 000 employees (faculty and staff) spread mainly across two campuses. McGill University spends roughly \$500 million each year on a wide variety of goods, services and construction work. The University's supply chain spans the globe and involves some 12 000 suppliers (16,500 when counting the different merchants from which the University purchases using procurement cards) providing a wide variety of items such as food, construction material, farm equipment, musical instruments, chemicals, research instruments as well as different professional services in communications, human resources, engineering. Approximately 5000 people can acquire goods and services on behalf of the institution, for teaching, research or activities related to our operations.

B. Policies and due diligence processes in relation to forced labour and child labour

McGill University uses its Supplier Code of Conduct, embedded in its contractual terms and conditions, to convey the importance of respecting ILO Core Conventions. It has also begun requesting that some suppliers confirm their use of a similar Code of Conduct with provisions against forced labour and child labour. Our Procurement Services unit has gained experience in reaching out to suppliers when they deviate from McGill's Supplier Code of Conduct. So far, no documented deviations have related to forced labour or child labour. The University's Procurement Services unit is currently working on a project to develop a Human Rights and Environmental Due Diligence (HREDD) questionnaire in collaboration with other higher education institutions across Canada.

C. Parts of our supply chains that carry a risk of forced labour or child labour and the steps the University has taken to assess and manage that risk

We have identified the following "at risk" spend categories: food (chocolate, coffee, tea, sugar, bananas and other fruits), apparel and other McGill-branded merchandise, electronics, vehicles, lab supplies (including personal protective equipment) and research equipment. In addition to the use of our Supplier Code of Conduct, we use certifications (Fairtrade, for example), we join the membership of organizations working in this area (Fair Labor Association – FLA), we require companies to have their own Supplier Code of Conduct as part of contractual obligations, and we are working on the development of a Due Diligence Questionnaire which we will start using this Fall with suppliers in these "at risk" categories.

D. Measures taken to remediate any forced labour or child labour

This is not applicable because we haven't identified any such cases



E. Measures taken to remediate the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour or child labour

This does not apply, because we have not documented such cases.

F. Training provided to employees on forced labour and child labour

McGill University's Procurement Services unit offers a Sustainable Procurement Course made available to all Faculty members and Staff members. This training workshop is given 2 or 3 times per year. The content mentions the existence of forced labour and child labour around the world, presents ILO data about regions where forced labor and/or child labor is most prevalent, and explains how Faculty and Staff can engage in mitigating supply chain risks by favouring local products, fair trade products, goods and services provided by social economy businesses, and products that meet particular certifications. Faculty members and Staff members are also introduced to the University's Supplier Code of Conduct and encouraged to do business with firms whose activities, products and supply chain are most likely to respect the spirit and principles contained therein.

The data presented comes mainly from the following report:

https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_854733.pdf

G. How the University assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

This is not being systematically assessed at the moment. Currently, some of the goods and consumables we acquire come from suppliers and supply chains that are subject to third party risk assessments and/or provisions prohibiting forced labour and child labour. These include computers, cell phones, printers, servers, coffee and tea. It is our intention to expand the requirement for assessments to a larger number of the products we purchase.