

## **Supply Chains Act**

### Fighting Forced Labour and Child Labour in Supply Chains

Pursuant to section 11 (1) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 (Supply Chains Act), Simon Fraser University (SFU) is required to submit a report for each financial year, setting out what steps it has taken to ensure that forced labour and child labour are not occurring in its business or supply chains.

SFU is committed to protecting all people in our supply chain by respecting their human rights and calling on our suppliers to provide fair compensation and safe working conditions for all their employees. The university has zero-tolerance for forced labour, child labour, and human trafficking in all forms and is taking measures to ensure that our supply chain is free of human exploitation in the harvesting, production, selling, transportation, and delivery of the goods and services we acquire.

The university's report for the financial year ended March 31, 2024 follows.

**SIMON FRASER UNIVERSITY**  
**SUPPLY CHAINS ACT ANNUAL REPORT**  
**April 01, 2023 – March 31, 2024**

Simon Fraser University (SFU) is an open and inclusive institution whose foundation is intellectual and academic freedom. The university is committed to engaging all of our communities in building a robust and ethical society.

The university ensures its corporate practices, including the acquisition of goods, services, and works, are consistent with Canada's obligations under the UN Conventions on Human Rights, as well as the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work.

These conventions include the right of freedom of association, the right to collective bargaining, the elimination of all forms of forced or compulsory labour and child labour, and the elimination of discrimination.

The university seeks to do business with commercial firms and organizations that manage their affairs in a manner consistent with our values and commitments.

### **About Simon Fraser University**

SFU is a public research university located in British Columbia, Canada. Established in 1965, and incorporated under the British Columbia Universities Act [RSBC 1996], SFU has three campuses: the main Burnaby campus, the downtown Vancouver campus, and the Surrey campus.

Consistently ranked among Canada's top research-intensive universities, SFU is a world leader in research, knowledge development and sustainability. With more than 180,000 alumni living and working around the globe, SFU's values and commitments impact every corner of the world.

SFU is recognized for its research contributions in areas such as environmental science, sustainable energy, public health, and digital media. The university is home to several research centers and institutes focused on advancing knowledge and addressing real-world challenges.

SFU operates with two governing bodies, the Board of Governors is responsible for the business affairs of the university and the Senate presides over academic affairs.

More than 7,000 faculty and staff support the university's mission of teaching, research, and community engagement. The SFU community is committed to fostering a diverse, equitable, and inclusive community where everyone is valued, respected, and empowered to succeed.

## SFU Snapshot

### Faculties

Beedie School of Business  
Faculty of Applied Sciences  
Faculty of Arts and Social Sciences  
Faculty of Communication, Art & Technology  
Faculty of Education  
Faculty of Education  
Faculty of Environment  
Faculty of Health Sciences  
Faculty of Science

### People

Undergraduate students	31,900 +
Graduate students	5,800 +
Alumni	180,000 +
Faculty and Staff	7,200 +

### Strategic Priorities

- ♦ Uphold Truth and Reconciliation
- ♦ Engage in Global Challenges
- ♦ Make a Difference for British Columbia
- ♦ Transform the SFU Student Experience

The university's values are woven into our community relationships by partnering with local businesses, organizations, and local governments to address societal needs and promote social justice, sustainability, and economic development. As a place of education, SFU recognizes our responsibility to illuminate the truth of Indigenous people in Canada and around the world and to begin charting a path towards Reconciliation.

SFU's standing in the Time Higher Education Rankings 2023:

- ♦ No. 1 Worldwide for Sustainable Cities and Communities
- ♦ No. 5 for Climate Action
- ♦ No. 15 for Peace, Justice, and Strong Institutions

### Supply Chain Profile

#### Active Suppliers 2023

Canadian	7,918
International	1,833
Total active suppliers	9,751

## Global Supplier Distribution

Country	# Suppliers	Total Spend CAD
Canada	7,918	304,255,012
United States	1,415	21,998,381
United Kingdom	88	1,890,152
Other - Limited Engagement	42	1,161,866
Germany	26	249,000
China	25	279,148
Australia	21	891,470
France	20	232,182
Brazil	13	535,211
Netherlands	13	94,480
Japan	12	84,970
India	10	273,534
Greece	10	129,038
Portugal	10	60,153
Belgium	9	239,901
Italy	9	153,860
Switzerland	8	301,294
Hong Kong	8	68,037
Mexico	7	170,368
Ireland	7	164,247
Korea, Republic of	7	84,086
Latvia	6	280,859
Mongolia	6	131,225
Finland	6	120,452
Israel	6	24,379
Austria	5	186,582
New Zealand	5	153,810
South Africa	4	92,744
Tanzania, United Republic of	4	30,628
Sweden	4	27,981
Singapore	4	20,305
Lithuania	4	13,187
Indonesia	4	3,831
Norway	3	116,025
Colombia	3	30,717
Spain	3	30,046
Denmark	3	22,943
Iceland	3	1,017
<b>Total</b>	<b>9,751</b>	<b>334,603,119</b>

Preventing forced labour and child labour in the supply chain is a complex and vital responsibility for SFU's procurement staff and others across the university. In FY2024, the university spent \$334.6 million to acquire a wide range of consumable supplies, equipment, foods, services, and works.

Exposing modern slavery and human trafficking in the supply chain is challenging as it involves multiple tiers of suppliers, subcontractors, and intermediaries. The vast majority of SFU's purchases are sourced from Canadian-owned businesses, or the subsidiaries or licensed distributors of global manufacturers. This makes it difficult for our team to monitor labour practices and working conditions at the most distant sources. In addition, authorized faculty and staff can direct order goods and services valued at less than \$10,000. This accounts for thousands of small and medium-sized businesses supplying products and services on direct order. The university relies on legislation and institutional policies, rigorous procurement practice and third-party business intelligence services to meet our anti-slavery obligations.

### **Ethical Procurement Policy**

SFU's [Ethical Procurement Policy](#) provides standards and guidelines to ensure that the goods and services purchased by the university are produced and supplied under conditions that do not involve the abuse or exploitation of humans or the environment. The university's practices are consistent with the United Nations Conventions on Human Rights and the International Labour Organization Declaration of Fundamental Principles and Rights at Work. These conventions include the right of freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination. This policy is scheduled for review and update in 2024.

### **Measures to prevent or remedy forced and child labour**

SFU has implemented several protocols and programs to increase our diligence in sourcing and selecting suppliers.

### **Supplier Code of Conduct – Statement of Sustainability (see Appendix 1)**

In 2023, SFU introduced the Statement of Sustainability (SOS) which lays out a set of principles and compliance obligations the university mandates for itself and its suppliers. SFU strives to meet and exceed the human rights and labour standards defined by relevant international organizations, and expects its suppliers to do the same. The SOS principles include Human Rights (UDHR Article 23) and Indigenous Rights (UNDRIP). The SOS is embedded in RFX sourcing documents and is embedded as a schedule in supply contracts and service agreements.

When suppliers carry out activities in jurisdictions where the local laws and regulations fail to set social, economic, or environmental standards consistent with international agreements, SFU expects its suppliers to pursue the most ambitious principles set out in the SOS.

## **EcoVadis Supplier Assessment**

In 2023, SFU partnered with EcoVadis, a leading provider of sustainability ratings and performance improvement tools for global supply chains. EcoVadis assesses businesses across various industries and sectors using a standardized methodology. Suppliers are evaluated on their environmental impact, labour practices, human rights, ethics, and supply chain management. EcoVadis maintains a scorecard for each company, with ratings for multiple indicators in each category. This enables SFU to benchmark our suppliers and to track their progress over time.

For example, in the Labour and Human Rights category, EcoVadis assesses twenty-one indicators in corporate policies and practices. These indicators help EcoVadis, their clients, and members promote and protect labor rights, human rights, and decent working conditions throughout their operations and supply chains. This due diligence can expose suspected or real cases of human rights violations. It also sets a benchmark for improvement and remediation measures where necessary.

Even though SFU is in the early phase of voluntarily bringing our suppliers into the program, SFU has gained insights into the practices of key suppliers. The program helps SFU identify high-risk areas in the supply chain, allowing us to work collaboratively with suppliers to improve their human and environmental performance. Although it is a voluntary option for an SFU supplier to be assessed in the EcoVadis platform, we will soon transition to a mandatory assessment for all new suppliers where the spend value is \$500K or greater.

## **LSEG World-Check Supplier Screening**

SFU employs World-Check, a comprehensive risk intelligence database and screening solution, to vet all international suppliers. It is designed to help organizations mitigate financial, regulatory, and reputational risks by exposing threats related to illicit activities. World-Check maintains a vast database of profiles on individuals, entities, and organizations associated with various risk factors. These profiles are compiled from publicly available sources, government databases, regulatory lists, and proprietary research. While World-Check primarily identifies financial crime, terrorism, corruption, and other illicit activities, it can indirectly expose forced labour and other human rights violations by flagging individuals, entities, and organizations associated with such activities.

## **Dun and Bradstreet Risk Analytics**

SFU uses Dun and Bradstreet's risk analytics supplier intelligence database to onboard all suppliers of scale (contracts greater than \$500K). Their data analytics and insights help identify trends, patterns, and anomalies that may indicate the presence of modern slavery in their operations or supply chains. By analyzing data on supplier ownership, workforce demographics, labour practices, and supply chain relationships, SFU can detect potential red flags and take proactive measures to address them.

SFU actively participates with other organizations and programs that support social justice, human rights, and ethical practices that either directly, or indirectly endeavor to eliminate all manner of forced labour.

The university is on the verge of becoming a Certified Living Wage employer. Under this program, the living wage rate established by *Living Wages for Families BC* sets the base for eligible SFU employees and for employees of those contractors delivering ongoing services on the university's campuses.

SFU is the first university in Canada to achieve gold status in the *Fair Trade Campus Program*, a national program that recognizes post-secondary institutions for their efforts in fair trade. Fair trade products are goods produced abroad that are traded according to more ethical and sustainable standards than typical standards in conventional trade. Producers receive a minimum price, improved working conditions, and a social premium that helps them reinvest in their communities. SFU is committed to offering a variety of fair trade options at its campuses.

We share information and strategies with our colleagues in the university sector to collectively advocate for a slavery-free supply chain.

All members of Procurement Services have been trained on the EcoVadis supplier analytics and ratings system, with an emphasis on labour, and human rights, and ethics. This year, we will introduce information sessions on the anti-slavery legislation to the greater university community.

### **Further Information**

Please contact Mary Aylesworth at [mayleswo@sfu.ca](mailto:mayleswo@sfu.ca) for more information.

### **Approval Attestation**

Approved by the Board of Governors of Simon Fraser University on May 23, 2024.



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*Signature*

**Martin Pochurko, VP Finance and Administration**

*Name and Title*

**APPENDIX 1**  
**Simon Fraser University**  
**Statement of Sustainability and**  
**Related Procurement Principles**

**Preamble**

Simon Fraser University’s “Strategic Sustainability Plan 2020-2025” summarizes some aspects of our ecological crisis: “Planetary life support systems are critically failing. We are seeing collapse in all ecosystems in all parts of the planet. We are already seeing impacts attributed to climate change, including increases in forest fires, heat waves, coral reef die off and shifts in agricultural seasons. But global politics are not following the science, and the chance of an urgent shift from business as usual seems dependent on activism from unexpected sources.” At the same time, our social problems are mounting: growing income and wealth inequality, persistent racial and gender discrimination, and an unsustainable growth-at-all-costs imperative.

In order to promote the long-term health of ecosystems and societies for the benefit of future generations, both the public and private sectors must take economic, social, and ecological sustainability seriously.

**Objectives**

Through this Statement of Sustainability and Related Procurement Principles (**SOS**), SFU aims to communicate an ambitious agenda regarding social, economic, and environmental responsibility as part of its own activities, including its business relations with suppliers. For their part, suppliers and potential suppliers should not limit their own sustainability initiatives to their legal and contractual obligations; these represent mere minimum thresholds. Businesses are urged to responsibly manage social, economic, and environmental risks and to creatively make a positive contribution to the development of communities and ecosystems along their own supply chains, not imposing purity or perfection, but from a perspective of continuous improvement.

**Scope**

This SOS is based on a model developed by Quebec university institutions, and has been modified by SFU, with a view to supporting sustainability goals and related procurement principles. This SOS applies to SFU, and all suppliers and potential suppliers to SFU who adopt it, publicly or privately, regardless of their field of activity. Its content and objectives should also be communicated to their own suppliers and subcontractors. Suppliers and potential suppliers are encouraged to collaborate closely with their own suppliers and subcontractors in order to support the aims of this SOS.



## Mandate

SFU values leading by example, along with supplier transparency and continuous improvement. For its part, SFU is supporting the sustainability and related procurement principles set out under this SOS in the following ways:

- SFU has adopted a “Strategic Sustainability Plan 2020-2025”, and an update entitled “SFU’s 2022-2025 Strategic Sustainability and Climate Action Plan” (<http://www.sfu.ca/sustainability/sustainability-plan.html>);
- SFU has a long-standing Sustainability policy (GP 38) in place (<https://www.sfu.ca/policies/gazette/general/gp38.html>);
- SFU has subscribed to the services of EcoVadis, a sustainability rating service, giving SFU access to scorecards in relation to environmental, social, and ethical criteria, so that supplier sustainability can be assessed in various purchasing contexts; and
- SFU’s Sustainability webpage includes a wealth of resources for internal stakeholders and external reference (<http://www.sfu.ca/sustainability.html>).

Further, in the context of Requests for Proposals (**RFPs**) and other purchases, SFU may call on potential suppliers to: (a) submit information relevant to this SOS to earn points under an RFP process; (b) meet mandatory certification requirements consistent with this SOS to be eligible to submit a proposal in response to an RFP, and/or (c) offer or accept concrete contractual obligations supporting this SOS. Potential suppliers should be ready to answer the following questions in the context of RFPs and other purchases: What has your organization done, and/or what is it currently doing, to support the principles of this SOS? What is your organization willing to contractually commit to do (or not do)?

To the extent that suppliers offer or accept concrete contractual obligations to support this SOS, SFU would require suppliers to take the necessary measures environmental management system, certifications by a third party, specific policies, or procedures, etc.) to comply with those contractual commitments. Suppliers are encouraged to report, publicly if they so wish, on the efforts that they undertake to improve the triple “bottom line” (social, economic, environmental) of their activities, products, services, and supply chain. Suppliers may also promote or advertise their compliance with contractual commitments made to SFU supporting this SOS, with SFU’s prior written consent.

### 1. Transparency and ethical business conduct

SFU expects its suppliers to demonstrate transparency and honesty in all of their business relations, including those with their own suppliers and subcontractors. The following principles should apply:

#### 1.1 Regulatory compliance

Under SFU’s contract templates, suppliers must, at a minimum, comply with legislative and regulatory obligations in relation to contractual deliverables. SFU also holds the reasonable

expectation that its suppliers generally comply with legal obligations that apply to all of their operations regardless of where they take place, whether it be here in BC, elsewhere in Canada or abroad. As a general principle, suppliers should demonstrate integrity and transparency in their business practices, in particular regarding compliance with local, regional, national, and international laws, regulations and codes pertaining to the disclosure of information about their business activities, their business/corporate structure, their financial situation and their use of personal information.

When suppliers carry out activities in jurisdictions where the local laws and regulations fail to set social, economic, or environmental standards that are consistent with international agreements, SFU expects its suppliers to nevertheless pursue the most ambitious principles set out in this SOS.

## 1.2 Ethical principles

SFU's contract templates require suppliers to adhere to commonly accepted norms of ethical business practices, which include suppliers preventing their employees or agents from providing or offering inappropriate gifts or hospitality to any person acting on behalf of or employed by SFU or engaging in any conduct that creates or contributes to a conflict of interest under SFU's *Conflict of Interest and Conflict of Commitment* policy (GP37).

## 2. **Social and economic principles**

SFU is taking steps to become a Living Wage Employer through Living Wage for Families BC (at [https://www.livingwageforfamilies.ca/living\\_wage](https://www.livingwageforfamilies.ca/living_wage)), and will follow a phased approach as contracts are entered or renewed. A living wage takes into account employees' total wages and benefits and is a calculation of what a family of four needs to earn to meet its current basic expenses. A working group has been established to determine future expectations with contract service providers, which will include clauses for future and re-negotiated contracts related to living wage requirements for larger contracts involving regular, ongoing services performed on property owned or leased by SFU.

SFU respects and complies with applicable legislation and regulations enacted by provincial and federal governments, including human rights and labour law. Under its contract templates, SFU requires its suppliers to do the same.

Similarly, SFU strives to meet and exceed the human rights and labour standards defined by relevant international organizations, and its suppliers should walk this path with us:

### 2.1 Human rights and Indigenous rights

Compelling social principles have been established in the Universal Declaration of Human Rights (UDHR) and in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), including:

- a) The right to just and favourable remuneration, enough for a family to maintain an existence worthy of human dignity (UDHR Article 23); and

- b) The right of Indigenous peoples, without discrimination, to the improvement of their economic and social conditions (UNDRIP Article 21), including in the areas of education, employment, training, and housing.

## 2.2 Labour law

Compelling social principles have also been established by the International Labour Organization (ILO) Conventions, including:

- a) the suppression of the use of forced or compulsory labour (ILO Convention 29, Article 1);
- b) the freedom of association and the right of workers to organize (ILO Convention 87, Articles 2 and 11), and freedom from acts of anti-union discrimination and the right to collective bargaining (ILO Convention 98, Articles 1 and 4);
- c) the effective abolition of child labour (ILO Conventions 138 and 182, Article 1);
- d) pursuing the elimination of discrimination in employment (ILO Conventions 100 and 111, Article 2);
- e) occupational safety and health (ILO Convention 155);
- f) reasonable working hours (ILO Conventions 1, 30, 49, and 153);
- g) promoting the principle of equal remuneration for work of equal value without discrimination based on gender (ILO Convention 100, Article 2);
- h) maternity protection (ILO Convention 183);
- i) Indigenous peoples convention (ILO Convention 169).

## 2.3 Equity, diversity, and inclusion

SFU strives to demonstrate its commitment to equity, diversity, and inclusion (EDI) in all of its activities. SFU encourages its suppliers to abide by the same principles in their human resource management, including the recruitment and promotion of staff and managers. Furthermore, SFU expects suppliers to make real efforts to include minority groups in their overall staff.

## 3. **Environmental principles**

The capacity of the biosphere to sustain human activity is finite. In light of this limitation, SFU strives to limit its natural resource and energy consumption, and urges suppliers to be respectful of the environment and to pursue the principles set out below:

### 3.1 Environmental management and life cycle

SFU and its suppliers should strive for environmental sustainability, defined as meeting our own needs without compromising the ability of future generations to meet their own needs. To that end, SFU and its suppliers should strive to reduce the negative environmental impacts of their activities, products, and services—as well as those of their supply chain—from start to finish of the life cycle. In managing energy, water and material flows, suppliers should test their decisions against the precautionary principle, and should apply Environment and Climate Change Canada’s “waste hierarchy – rethinking to recovery” (first and foremost, waste prevention; then “Reduce, Reuse, Recycle”; then other recovery of materials and energy).

### 3.2 Climate change mitigation and adaptation

SFU urges its suppliers to strive to quantify, manage and reduce, as much as possible, greenhouse gas emissions coming from their operations, products, and services, throughout their life cycle. Suppliers should promote options that reduce the impact on climate and support SFU’s transition toward carbon neutrality. For example, SFU is committed to (i) shifting 50 per cent of the fossil-fuel based energy used by SFU to renewables by 2025; (ii) reducing operational GHG emissions by 50 per cent (Scope 1, 2 and limited Scope 3 [exclusively paper purchased]) from 2007 by 2025; and (iii) where solid methodology exists to measure GHG emissions for a scope 3 category (indirect/value chain), working toward a 25 per cent reduction.

### 3.3 Biodiversity

SFU urges its suppliers to strive to quantify, manage and reduce their negative impacts on biodiversity, throughout their supply chain. To the extent possible, suppliers should undertake regenerative activities that aim to restore or improve the condition of ecosystems and biodiversity where the latter could be affected by the operations, products, or services of the suppliers.

## 4. **Animal welfare**

SFU urges suppliers whose operations or supply chains involve animals to follow humane practices in supporting animal welfare and to conduct their activities respecting the internationally recognized Five Animal Freedoms:

- a) Freedom from hunger and thirst,
- b) Freedom from discomfort,
- c) Freedom from pain, injury, and disease,
- d) Freedom to express normal behaviour,
- e) Freedom from fear and distress.

Where local animal welfare laws and regulations differ from the aforementioned Five Freedoms, the stricter requirements should prevail.



MEMO

Simon Fraser University 8888 University Drive Burnaby BC V5A 1S6 Canada

Tel 778.782.4644

Attention: Martin Pochurko, VP Finance and Administration
From: The Board of Governors Office
Re: Item 4.11. Fighting Forced Labour and Child Labour in Supply Chains Act
Date: May 23, 2024

This is to advise that the Board of Governors have approved the following motion at its meeting of May 23, 2024:

That the 2024 Supply Chains Act Report be approved by the Board of Governors for submission to Public Safety Canada and published on the SFU website.

Reference:

Item 4.11. Fighting Forced Labour and Child Labour in Supply Chains Act

April 29, 2024

Copy:

Karamjeet Heer, Associate Vice-President, Finance

Mary Aylesworth, Director, Financial Operations