

Bill S-211

Fighting Against
Forced Labour and
Child Labour in
Supply Chains Act



About TransLink

South Coast British Columbia Transportation Authority (“TransLink”) together with its partners, stakeholders, and operating companies (BC Rapid Transit Company Ltd., Coast Mountain Bus Company Ltd., West Coast Express Ltd., and Metro Vancouver Transit Police), plans and manages the Metro Vancouver region’s multi-modal transportation system. Home to 2.5 million residents, TransLink’s service area covers 1,800 km², 21 municipalities, one Electoral Area, one Treaty Nation, and nine Indigenous Nations. We are dedicated to creating a sustainable transportation system that meets the needs of customers, residents, businesses, and goods movers.

Our Vision, Mission, and Values

A better place to live built on transportation excellence.

Our Mission

Together, we connect the region and enhance its livability by providing a sustainable transportation network, embraced by the communities we serve.

Our Values

We are committed to the following pillars that support our vision and mission: safety, customer service, people, inclusiveness, excellence, sustainability, and accountability.

As outlined in TransLink’s Sustainable Procurement Strategy, our supply chains play a critical role in helping TransLink and the region be more sustainable. TransLink strives to do business with supplier who are committed to ethical labour, health and safety, environmental, and social principles. TransLink’s Strategic Sourcing & Contract Management (SS&CM) has developed the Sustainable Procurement Strategy (the “Strategy”), which will stimulate the economy and innovation potential of the regional and global supply chain. The Strategy will help us create a more sustainable transportation system while supporting economic development, and the environmental and social objectives of the region.

About this report

This is TransLink’s first report on the steps taken during the fiscal year of January 1, 2023 to December 31, 2023, to prevent and reduce the risks of forced or child labour in our supply chains. This report has been prepared in accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act SC 2023, c 9 (the “Act”). This report covers the TransLink entity and its wholly owned subsidiary entities identified above.

Structure & Activities

Organizational Structure

TransLink corporate operations support the operating subsidiaries with a focus on planning, project delivery, and achieving TransLink Enterprise priorities. The operating companies included in this report are:

Coast Mountain Bus Company Ltd. (CMBC)

As the largest operating company in the integrated TransLink enterprise, CMBC serves customers in Metro Vancouver, the largest single transit service area in Canada. CMBC operates more than 96% of the region's bus service delivering nearly 107 million service kms yearly through its' fleet. Passenger ferry service across Burrard Inlet via the SeaBus is also operated by CMBC.

British Columbia Rapid Transit Company Ltd. (BCRTC)

BCRTC, on behalf of TransLink, maintains and operates two of the three SkyTrain lines in Metro Vancouver (Expo Line and Millennium Line). SkyTrain is one of the longest fully automated, driverless, rapid transit systems in the world serving approximately 350,000 passengers per weekday with an on-time service delivery performance rating of 96.5%.

West Coast Express Ltd. (WCE)

WCE is a commuter rail service that has been serving the lower mainland since 1995 with more than 2.6 million boardings per year. Every weekday customers get on and off WCE at one of eight stations going to and from Downtown Vancouver and Mission. Depending on ridership service runs up to 5 trains made up of between 3 to 10 bi-level cars. WCE operates Monday to Friday during peak commuter times.

TransLink Security Management Ltd. (TSML or MVTP)

Mandated by the Minister of Public Safety and Solicitor General as a Designated Policing Unit in 2005, Metro Vancouver Transit Police (MVTP) aims to prevent crime and offences against the law (including the Criminal Code), aid in the administration of justice, and enforce the laws of British Columbia on the transit system. It is the first dedicated transit police service in Canada and oversight is provided by an independent Transit Police Board.

Activities

TransLink and its operating subsidiaries are incorporated under the laws of the Province of British Columbia, and primarily engaged in planning and managing Metro Vancouver region’s multi-modal transportation system.

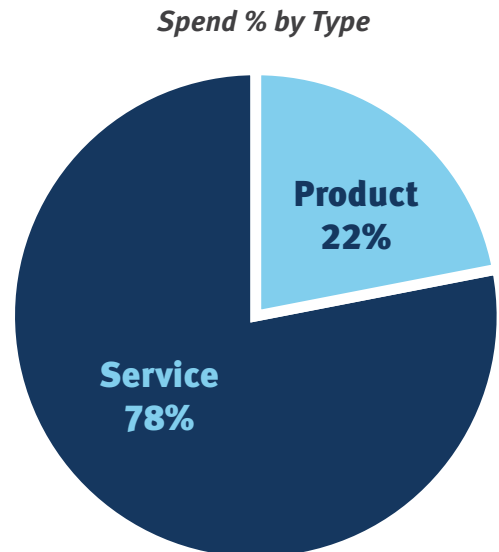
TransLink and its operating subsidiaries (“TransLink Enterprise”) are governed by individual boards. TransLink is also governed by the Mayors’ Council. The TransLink Board of Directors is composed of seven individuals appointed by the Mayors’ Council (from a candidate list presented by the Screening Panel), the Mayors’ Council Chair and Vice-Chair, three members of Mayors’ Council (non-voting), and up to two members appointed by the Province.

As at fiscal year ending December 31, 2023, TransLink, including its operating subsidiaries (consolidated) had assets of \$11,477 million, sales of \$2,008 million, and approximately 8,595 employees.

Our supply chain and understanding risks of child and forced labour

The TransLink Enterprise strives to do business with suppliers who are committed to ethical labour, health and safety, environmental, and social principles. Our supply chains facilitate the sourcing and delivery of materials, goods, services, and construction necessary for the TransLink Enterprise and plays a critical role in helping TransLink and the region be more sustainable.

The TransLink Enterprise has about 280 direct suppliers and 540 service providers. Approximately 99% of our supply chain spending is in Canada and the United States. The majority of our spend is on services and construction (approximately 78%). Examples of services include 3rd party transportation service providers, planning, engineering, design, technology, maintenance services, and construction. The remaining 22% of spend is on non-services (vehicles, goods, materials, fuel, and equipment) procured or delivered from the US or Canada. Some examples of the goods, materials, and equipment we procure include rail, railway machinery & equipment, bus parts and equipment, trolley poles, wires, electrical equipment and supplies.



Policies and Due Diligence Processes

To uphold our commitment to human rights and fighting forced and child labour across supply chains, we reviewed our policies and procedures and took the following pro-active steps to manage risks in our supply chain:

By reviewing fiscal 2023 contract spending with direct suppliers, we **obtained a better understanding of the risks of forced and child labour in our supply chains** through considering factors such as suppliers with multi-level business models with third parties (limited visibility into practices across supply chains), category and type of materials (goods produced in sectors with higher risks), and country of operation and origin (jurisdictions with higher risks).

We **strengthened our procurement process** to ensure suppliers have not only read and understood, but abide and will continue to abide by **TransLink's Supplier Code of Conduct** as required by our procurement policy. We identified higher-priority areas and engaged suppliers to bring awareness to TransLink's Supplier Code of Conduct, expectations related to forced and child labour, and to better understand their policies, processes, and due diligence regarding forced and child labour. Through this process, we gained insight into the maturity and practices of our higher spend suppliers across the TransLink Enterprise and where additional work with our suppliers may be required in the future.

We **enhanced our contracts** to ensure suppliers declare their adherence to applicable labour laws, responsible business practices and efforts against forced and child labour risks. Our standard contract templates for services, goods and construction were reviewed and updated to include supplier representations and warranties declaring that no forced labour and exploitation of children was used for services, supply of goods, materials, and/or equipment to the TransLink Enterprise. A requirement was added for suppliers to notify the applicable entity within TransLink Enterprise of any suspected or actual instances of forced or child labour within the supply chain relevant to our contracts.

We **improved our understanding and knowledge of forced and child labour risks.**

We engaged with peer agencies, subsidiaries, key suppliers, and companies in the sustainable procurement community of practice to exchange information and discuss best practices. We are focused on raising awareness across the TransLink Enterprise and within our supplier community of our approach to identifying and managing forced and child labour risks.

Risk Assessment

A risk assessment of TransLink’s industry of operation, goods procured and countries where goods are procured from has been performed over material direct suppliers. Material direct suppliers for the purpose of this reporting are those suppliers that make up the top 90% of procurement spend.

This risk assessment used two separate indices to conclude on the inherent risk of child and/or forced labour related to goods and countries – Walk Free’s Global Slavery Index¹ and the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor².

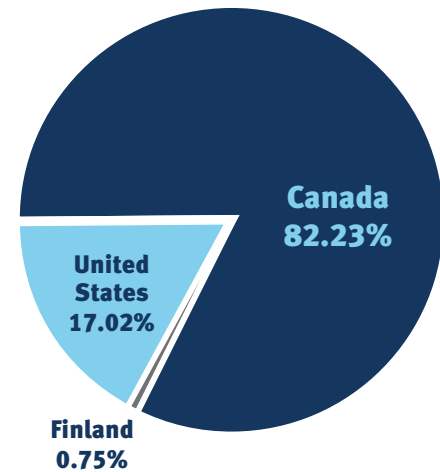
Industry of Operations

The Translink Enterprise operates within the transportation industry which is associated with a high risk of child labor or forced labor according to the two indices.

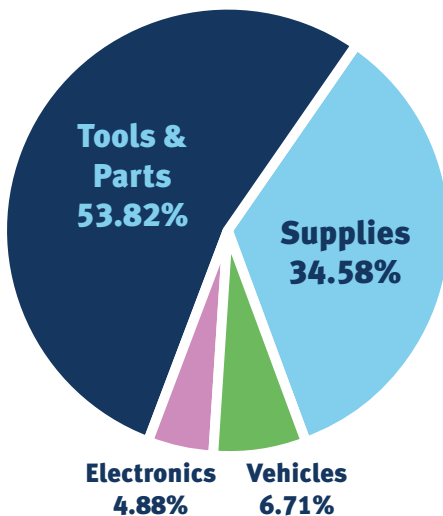
Countries Goods are Procured From

For countries of origin, 82.23% of suppliers are based in Canada, 17.02% are based in the US, while the remaining percentages are from Finland, all of which are low risk countries per the Global Slavery Index by Walk Free Organization and the US Department of Labour.

Spend by Country



Spend by Category



Goods Procured

Per the 2022 List of Goods Produced by Child Labour or Forced Labour published by the US Department of Labor’s Bureau of International Labor Affairs, material goods procured by TransLink are within low risk categories, with the exception of electronics that belong to the extreme risk category. Electronics makes up 4.88% of the material direct spending.

Overall, we have assessed the risk of forced or child labour in the TransLink Enterprise direct supply chains to be low and primarily arising in relation electronics category, sourced from distributors in Canada and US, which may be indirectly sourced from higher risk jurisdictions by distributors.

¹ <https://www.walkfree.org/global-slavery-index/>

² List of Goods Produced by Child Labor or Forced Labor | U.S. Department of Labor (dol.gov)

Remediation of Forced Labour or Vulnerable Family Income Loss

To date, the TransLink Enterprise is not aware of any suspected or actual instances of forced or child labour in our supply chains. Should any instances arise, we will promptly investigate and take appropriate action as required. We are committed to continual review of our policies and processes in relation to Bill S-211 and engaging with suppliers and industry peers as best practices in preventing forced and child labour evolve.

Awareness Training

In fiscal year 2024, TransLink's CEO, Acting CFO / VP – Financial Services, CIO, General Counsel, Associate General Counsel, BCRTC President & General Manager, as well as finance and supply chain leaders across the enterprise attended awareness training on Bill S-211. This training provided an overview of the Act and other similar laws around the world, the definition of forced and child labour, and its forms along with some examples of child and forced labour both globally and in Canada. The training also provided a snapshot of how modern slavery looks like recently including statistics of how many people are suffering from modern slavery around the world. The training also talked about the common key drivers of forced and child labour such as the absence of rights, lack of physical safety, poverty and inequality, criminality, and corruption, among others.

Training will be expanded to all supply chain staff and others (as required) across the TransLink Enterprise as part of TransLink's Sustainable Procurement Strategy initiatives and actions planned for 2024.

Assessing Effectiveness

In fiscal year 2023, the TransLink Enterprise did not have a self-assessment and internal accountability process in place in relation to forced and/or child labour. The review for the purpose of the compliance of the Act was completed in 2024. Although the assessed risk for forced and child labour within the TransLink Enterprise is low, our assessment in fiscal year 2024 will include regular review or audit of TransLink Enterprise policies and procedures related to forced labour and child labour and developing a plan to work with suppliers (specifically in higher risk jurisdictions) to measure the effectiveness of their actions to address forced labour and child labour as part of our commitment to continual assessment of forced or child labour in our supply chain.

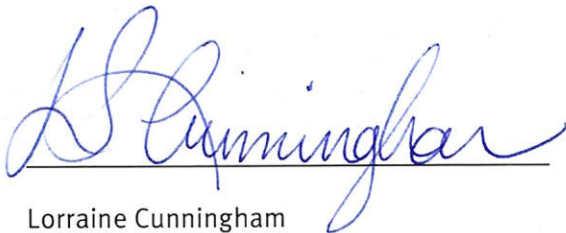
Conclusion

Given that Bill S-211 is a new Act, we have started to raise awareness in respect to the Act within the TransLink Enterprise and our suppliers, we have introduced pro-active steps to manage risks in our supply chain, are developing and maturing our assessment and internal accountability processes, and expanding training as part of TransLink's Sustainable Procurement Strategy initiatives and actions planned for 2024. We are committed to collaborating with our suppliers, peer agencies and others in the sustainable procurement practice in our efforts to reduce or eliminate risks of forced and child labour in our supply chains.

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

I have the authority to bind:



Lorraine Cunningham
Board Chair

May 23, 2024