

Toronto Community Housing Corporation Report for Fiscal Year 2023 *Fighting Against Forced Labour and Child Labour in the Supply Chains Act*

1. Introduction

This report is made by Toronto Community Housing Corporation (“TCHC”) pursuant to the requirements of Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for the fiscal year ending December 31, 2023.

2. Steps Taken to Prevent and Reduce the Risk of Forced Labour or Child Labour in the Supply Chain

In 2023 measures taken to prevent and reduce the risk of forced labour and child labour in TCHC’s supply chain include the following:

- TCHC’s Vendor Code of Conduct, which contains legal and compliance requirements mandating that vendors conduct their employment practices and business in full compliance with applicable laws and regulations, which includes employment standards and health and safety laws. The Vendor Code of Conduct contains an explicit prohibition against the use of child labour.
- TCHC’s procurement policy and supporting protocols, procedures and processes that guide its procurement activities and the selection of qualified, reputable vendors.
- Vendor agreements that require compliance with applicable laws, contain record keeping and audit provisions regarding goods and services provided, and incorporate TCHC’s Vendor Code of Conduct.
- TCHC’s Whistleblower Policy which is a mechanism through which instances of forced labour and child labour involving TCHC or its vendors can be reported without fear of reprisal for doing so.

Additional details on these measures are provided in section 4 of this report.

3. Structure, Activities and Supply Chains

Structure

TCHC is an Ontario corporation under the *Business Corporations Act*, with the City of Toronto as its sole shareholder. TCHC is also a Local Housing Corporation under the *Housing Services Act, 2011* pursuant to which the City of Toronto exercises operational oversight as its Service Manager. TCHC operates on a non-profit basis. Its head office is located at 931 Yonge Street, Toronto, ON, M4W 2H2.

Activities

TCHC is the largest social housing provider in Canada, providing rental homes to over 41,000 low and moderate-income households comprising over 92,000 residents. TCHC mission is to provide clean, safe, well maintained, affordable homes for residents. Approximately 86% of households pay rent-geared-to-income (RGI), with most RGI rent assessed at 30 percent of gross income.

In addition to the operation and maintenance of rental housing, TCHC engages in community revitalization projects whereby it works with the City of Toronto, its tenants and community residents, and private development partners to transform TCHC's aging housing infrastructure to build better homes and communities.

Supply Chains

TCHC's supply chain consists of suppliers engaged to deliver goods and services to TCHC in Toronto. It includes purchases from local, regional, national, and to a limited extent, international suppliers. In addition to conventional third-party supply relationships, some goods and services are procured through tenant vendors, and as a component of our revitalization process with our private development partners. Goods that are procured from our vendors are manufactured in both domestic and foreign jurisdictions.

Goods and services procured relate primarily to the operation, repair, maintenance, construction and development of TCHC's rental housing properties, and the administrative, office and information technology functions required to support its operations and mandate.

A procurement operational review which is underway at the time of the submission of this report will provide TCHC with enhanced insights into its sourcing and supply chains for 2024.

4. Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

Vendor Code of Conduct

TCHC has a Vendor Code of Conduct ("VCC") in place that applies to its vendors which sets the standards that they must adhere to in their business relationship with TCHC. Acknowledgement and agreement to comply with the VCC is obtained as a condition of participation in a formal procurement process, and as a requirement of contract and the vendor onboarding process.

The VCC contains legal and compliance requirements mandating that vendors conduct their employment practices and business in full compliance with applicable laws and regulations, which includes employment standards and health and safety laws.

The VCC provides that vendors shall never use child labour, as defined in local laws and regulations, and that under no circumstance shall a worker be younger than the age of 16 or the compulsory age to be in school, whichever is higher.

The VCC makes vendors responsible to ensure that the VCC requirements are communicated to, and adhered to by their representatives, including their suppliers and subcontractors, and further provides that vendors are expected to monitor their own compliance and that of their representatives.

Vendors are to immediately report any violation of the VCC or the unethical behavior of any vendor either through a confidential online reporting portal or telephone hotline listed in the VCC. Any retribution by a vendor against an individual who has reported a violation is deemed a material breach of the VCC and may result in termination of the vendor's contract and disqualification from working with TCHC in the future.

Where a vendor is non-compliant with the VCC, TCHC reserves the right to immediately terminate work under any agreement or terminate entirely the agreement and the relationship with the vendor.

Vendor Selection Process

TCHC maintains a procurement policy approved by its Board of Directors, with supporting protocols and procedures that guide its procurement activities and the selection of qualified, reputable vendors. The policy statement in the current procurement policy provides that it will promote ethical, legal, efficient, effective, professional, and accountable sourcing strategies.

Establishing criteria to select qualified, reputable vendors is typically done collaboratively between TCHC's Strategic Procurement Unit and the relevant business unit(s) with knowledge of TCHC's needs, the goods and services, and the respective industry and supply chain. In addition to evaluating price and capability to deliver the required goods or services, evaluation criteria can include a consideration of broader factors such as economic, environmental, and social risks that are relevant to the procurement. References are often sought from other public sector organizations who have purchased similar goods and services from the vendor.

While standard evaluation criteria do not specifically address child labour and forced labour, TCHC's solicitation documents include the VCC and require that to be eligible to respond to the procurement process the vendor must affirm they have read and will comply with the VCC.

Agreements

TCHC's standard vendor agreements for the purchase of goods and services incorporate the VCC and contain provisions which require compliance with applicable laws, which includes applicable employment and workplace safety laws. A failure to comply with applicable laws can give rise to a default under the contract terms, and ultimately a right for TCHC to terminate the agreement. The standard vendor agreements also include obligations for vendors to retain records of pertinent information regarding the goods and services provided under the agreement and give TCHC the right to access and audit these

records to ensure compliance where TCHC reasonably believes there may be compliance irregularities.

Whistleblower Policy

TCHC has a whistleblower policy that applies to employees, Directors of TCHC and TCHC's tenants. The policy supports TCHC's commitment to promote integrity, accountability and transparency in its operations by promoting the reporting of wrongdoing taking place within TCHC and providing protection from reprisal for those who report. It is a mechanism through which instances of forced labour and child labour involving TCHC or its vendors can be reported without fear of reprisal for doing so.

5. Parts of Our Business and Supply Chains that Carry a Risk of Forced Labour or Child Labour and Measures Taken to Assess and Manage Such Risks

While TCHC did not undertake a formal risk assessment of its supply chain in 2023, the possibility is acknowledged that, not unlike other organizations with similar mandates and activities, some of the goods and services it procures could present some risk of forced labour or child labour. For example, this may include equipment, electronics and office supplies that are manufactured in foreign jurisdictions that have a higher risk of forced labour and child labour.

TCHC manages these risks through its policies and due diligence processes that apply to its vendors and procurement process, including through its Vendor Code of Conduct, vendor selection process and standard vendor agreements, which are outlined earlier in this report.

In 2024, TCHC plans to examine the potential to adopt measures to both enhance its ability to identify parts of its supply chain that carry a risk of forced labour or child labour and to manage any such risks.

6. Any measures taken to remediate any forced labour or child labour

In 2023 there were no instances of forced labour or child labour reported to or identified by TCHC, and therefore no remediation measures were taken in response to any such instances. If any such instances were to have been identified, the measures available in the VCC and the provisions in the relevant agreement with the vendor outlined earlier in this report, which may include the termination of the agreement and the relationship with the vendor, would have been available for TCHC to exercise.

7. 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 our activities and supply chains

In 2023 there were no reported or identified situations where any measures undertaken by TCHC to eliminate the use of forced labour or child labour in its activities or supply chains resulted in a loss of income to the most vulnerable families.

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

In 2023 TCHC did not provide training to its employees on forced labour and child labour. In 2024 TCHC will evaluate the implementation of training for procurement staff and business unit staff who are involved in the procurement of goods and services that may carry a risk of forced labour and child labour.

9. Assessment of effectiveness in ensuring that forced labour and child labour are not being used in our business and supply chains

As previously noted, in 2023 there were no instances of forced labour or child labour in TCHC's supply chain that were reported to or identified by TCHC.

In 2023 TCHC did not have in place a formal assessment process for the effectiveness of the measures it has in place to reduce the risk of forced labour and child labour in its supply chain. In 2024, in addition to examining the potential to adopt measures to both enhance its ability to identify risks of forced labour or child labour in its supply chain and to manage any such risks, TCHC will also examine the potential to enhance its ability to assess the effectiveness of the measures that are implemented.

10. Approval and Attestation

This report was approved by the Business Investment, Finance and Audit Committee ("BIFAC") of Toronto Community Housing Corporation on May 28, 2024.

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.

I have the authority to bind Toronto Community Housing Corporation



Nick Macrae
BIFAC Chair and
Member of the TCHC Board of Directors
May 28, 2024