



UNIVERSITY
of Prince Edward
ISLAND

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

ANNUAL REPORT FOR THE 2023-24 FISCAL YEAR



INTRODUCTION

In accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (hereafter “the Act”), the University of Prince Edward Island is required to prepare an annual report on the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the University.

The University is an “entity” under the Act as it has a place of business in Canada, having had at least \$20 million in assets within the last two financial years, and employs at least 250 employees.

The Act came into force on January 1, 2024, the year following the date of royal assent (May 11, 2023). On or before May 31st of each year, government institutions and entities must submit a report to the Minister of Public Safety applicable to the previous financial year. The University’s fiscal year end is April 30th. As such, any figures mentioned in the body of this report are derived from preliminary and unaudited financials for the 2023-24 fiscal year.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

The University of Prince Edward Island, founded on the tradition of liberal education, exists to encourage and assist people to acquire the skills, knowledge, and understanding necessary for critical and creative thinking, and thus prepare them to contribute to their own betterment and that of society through the development of their full potential.

To accomplish these ends, the University is a community of scholars whose primary tasks are to teach and to learn, to engage in scholarship and research, and to offer service for the benefit of our Island and beyond.

UPEI is home to ten faculties and two schools, and operates campuses in Charlottetown and St. Peter’s, PEI. As the province’s only university, UPEI has a special obligation to the people of PEI and plays a distinct role in contributing to the success of this province. Over the ten-year period from 2013 to 2023, UPEI continued to outpace regional growth in undergraduate, graduate, and international enrolments, and has a substantial impact to the Island’s economy:

- 5582 students in the 2023-24 academic year, including 1995 international students from 101 countries/regions
- 29,000 alumni in over 90 countries
- 870 employees as at April 30, 2023 (faculty, staff, and librarians), 79% of which were permanent faculty and staff
- \$182.8M annual operating budget for 2024-25
- \$14.1M research income received for 2022-23

Structure

The University of Prince Edward Island was constituted in 1969 under the “[University Act](#)”, merging its two founding institutions, Prince of Wales College (est. 1834) and Saint Dunstan’s University (est. 1855). The University follows a bi-cameral model of governance, with a Board of Governors and a Senate.

The Board of Governors is constituted under the University Act and is responsible for the conduct, management, administration and control of the property, revenue, business and affairs of the University. Its powers, rights, authorities, and privileges are determined by the University Act.

The UPEI Board of Governors consists of 26 members, which includes the UPEI Chancellor; UPEI President; President of Holland College; nine members appointed by the Lieutenant Governor in Council, six members elected by the UPEI Board of Governors; two members elected by and from the UPEI Alumni Association; two members elected by and from the Senate of the University; two members elected by and from the Faculty of the University; and, two members elected by and from the student body of the University.

Activities and Supply Chain

UPEI purchases a wide range of goods and services in support of the teaching, research, and other activities related to the ongoing operations of the university. These goods and services are purchased in accordance with the University’s procurement policies and procedures, public procurement law, and domestic and international trade agreements.

Goods and services are primarily sourced from suppliers within Canada. For the year ended April 30, 2024, the University spent an estimated \$18 million on goods. Importations into Canada equated to 6.5% of total spend. Of the imported goods, 82% were sourced from vendors located in the United States. Direct importations represent approximately 1.6% of total spend on goods and services.

POLICIES AND DUE DILIGENCE PROCESSES

The centralized Procurement Services department is responsible for assisting university members in making procurement decisions that optimize the use of university funds. The department manages and oversees compliance with the University’s policies and procedures, legislation and domestic and international trade agreements and regulations. Procurement Services participates in a regional procurement consortium representing universities and colleges throughout Atlantic Canada (ISI or Interuniversity Services Incorporated).

The University’s procurement policy and accompanying procedures document provides the standards for ethical behaviour for our employees to ensure a high standard of professional integrity, ethics, and impartiality to maintain the public trust in our institution. Additionally, the procurement policy and procedures encourage those tasked with procuring goods and services to engage in sustainable

practices, by integrating environmental, economic, and social considerations into the procurement process.

The conflict of interest policy establishes the high standards of integrity, professionalism, and ethical conduct among the University’s members, to enhance public confidence in the University and all faculty, staff, students, and associated persons.

PARTS OF SUPPLY CHAIN THAT CARRY A RISK OF FORCED LABOUR AND CHILD LABOUR

UPEI recognizes there are risks of forced labour and child labour within the supply chains for goods and services procured in support of university operations. Using the US Department of Labor’s “List of Goods Produced by Child Labor or Forced Labor”, UPEI completed a high-level assessment of institutional procurement to identify categories that may carry risk. The University identified goods directly sourced from outside Canada:

COUNTRY	VALUE	CATEGORY	VALUE
United States	978,000	Equipment	397,000
England	175,000	Lab/Clinical/Animal Supplies	219,000
Switzerland	17,000	Construction/Capital	183,000
Australia	8,000	Supplies – General	147,000
Netherlands	7,000	Maintenance/Renovations	102,000
France	7,000	Bookstore Purchases for Resale	88,000
China	<u>1,000</u>	IT/AV Equipment	38,000
Total	1,193,000	Library Periodicals/Books	<u>19,000</u>
		Total	1,193,000

Based on this analysis, UPEI identified potential exposure to the risks of forced labour or child labour relating to the following spending categories: equipment, electronics, and apparel purchased for the purpose of resale. Given the countries of origin identified as direct suppliers, the most material risk exposure is related to indirect or second-tier suppliers and beyond.

REMEDATION MEASURES

The University has not identified any instances of forced labour or child labour in our supply chains. As a result, no remediation measures were required for the fiscal year ended April 30, 2024.

TRAINING AND CAPACITY BUILDING

Recognizing that UPEI is a small university with limited human resources, the primary focus for 2024-25 is to educate Procurement Services staff on the issue of forced labour and child labour, the regions and categories of goods and services for which it's most prevalent, and to introduce ways in which the University can work to mitigate supply chain risks.

ASSESSING EFFECTIVENESS

The University does not currently employ formal metrics to assess effectiveness in ensuring that forced labour and child labour are not being used in our supply chains. Going forth, UPEI intends to continue monitoring our spend on importations to identify potential risks, paying particular attention to spending from high-risk countries and product categories.

ACTION ITEMS FOR FISCAL 2024-25

The University has identified the below action items to undertake in fiscal 2024-25 to work to prevent and reduce the risks of forced labour and child labour used in its supply chains. UPEI recognizes that this work is an ongoing effort, and that some measures to mitigate risks may span multiple years.

- Vendor Data and Reporting: thoroughly review and clean the vendor master file to ensure data is fit for purpose; improve internal reporting surrounding the importation of goods;
- Update UPEI's procurement procedures document and purchase order terms and conditions to reference anti-force labour and anti-child labour practices;
- Investigate contract language regarding forced labour and child labour where appropriate;
- Educate Procurement Services staff regarding the Act and risks of forced labour and child labour.

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



Shannon MacDonald, FCA, CPA, ICD.D
Chair, Board of Governors
University of Prince Edward Island
May 31, 2024

I have the authority to bind the University of Prince Edward Island.