

# **Bill S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act**

## **Carleton University Compliance Report**

**March 2024**

## Preamble

Carleton University is recognized as a leader nationally as a Top 5 comprehensive university, as well as a two-time Top 100 Employer plus Top Employer in the National Capital Region for 11 consecutive years.

As such, Carleton recognizes that forced and child labour remains prevalent around the world, and the importance of mitigating and upholding ethical standards to combat it within our operations and supply chains. As dramatic shifts in the nature of social interaction and the global economy continue, we are committed to Carleton's participation in the creation of solutions to Canada's shared social, economic, ecological and political challenges. Our vision is to extend our influence beyond campus, inspire our students to be engaged citizens who work to strengthen meaningful community partnerships. Together, we strive for wellness and sustainability — for individuals, for communities and for our planet.

In addition to Carleton University's strategic integrated plan, [Shape the Future 2020-2025](#), which identifies sustainability and wellness as a strategic direction, the university has begun its journey to facilitate ethical supply chain management practices and has several short-term activities planned. This report will serve to address these activities as they relate to **Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains**.

## Structure and Supply Chain

### Governance and Structure

Carleton University was created by the Ontario Legislature through the passage of the [Carleton University Act](#) in 1952. The Act states the objects and purposes of the university, which are:

- The advancement of learning,
- The dissemination of knowledge,
- The intellectual, social, moral and physical development of its members, and the betterment of its community, and
- The establishment and maintenance of a non-sectarian college with university powers, having its seat in or about the City of Ottawa. 1952, c.117, s.3; 1957, c.130, s.1.

Carleton University is committed to respecting and achieving good governance. As a bicameral institution, governance at Carleton is shared by the [Board of Governors](#) and the [Senate](#). The Board of Governors serves as the corporate body and the Senate as the highest academic body.

Carleton University's organizational chart is available [here](#).

## Supply Chain

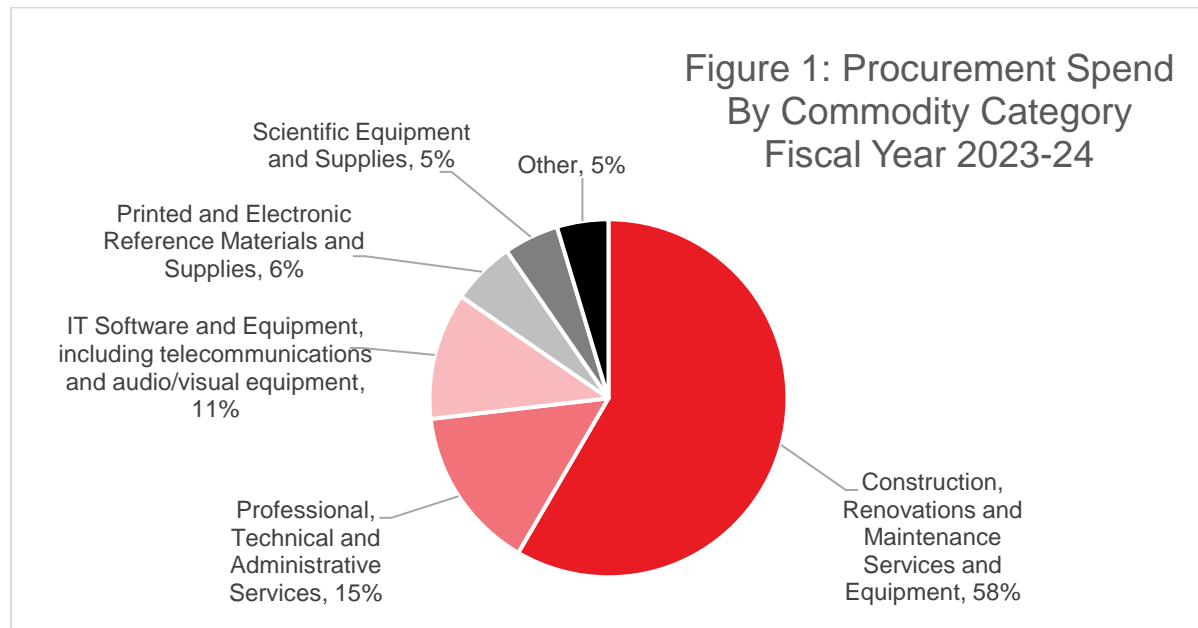
Carleton University engages in extensive procurement activities, adhering to public procurement regulations and ethical sourcing practices. These activities encompass a broad spectrum of goods and services, including construction, professional and technical services, scientific equipment and supplies, IT hardware, network equipment and software, food and catering, book acquisitions and printing services, and waste, custodial and facilities management.

A significant portion of procurement is conducted through collaborative frameworks, notably with the Ministry of Public and Business Service Delivery, the Ontario Education Collaborative Marketplace (OECM), and other consortia, to leverage collective purchasing power and achieve cost efficiencies.

The university's procurement operating model is centrally led. This means that high-dollar and strategic procurement sourcing activities are co-ordinated centrally while delivery and transactional work are executed in a decentralized fashion. This model ensures compliance with Broader Public Sector procurement directives and our obligations under domestic and international trade treaties. Bringing about meaningful change to mitigate the risks of forced and child labour in the supply chain will be well supported by the centrally led procurement operating model, which helps to improve knowledge sharing, best practice execution and compliance.

Carleton recognizes the existence of forced and child labour risks across its supply chains and, further, that these risks could be elevated in certain supply chains due to factors such as geographical location and/or source locations for materials and products procured by the university. There is an identified lack of visibility in certain overseas markets which could present an increased risk of forced and child labour, especially in secondary (and further) supply chain tiers, and in source materials used in the university's goods and services.

**Figure 1** summarizes the university's primary procurement spending across commodity categories representing 5% or more of the total procurement spend.



Approximately 87% of annual procurement expenditures are with Canadian businesses, and an additional 10% with suppliers in the United States.

The university encourages a disciplined approach to sustainable procurement which considers the right balance of environmental, societal and economic considerations in each procurement activity. This requires a careful and thorough evaluation of procurement requirements while also exploring opportunities that are environmentally responsible and promote “healthy communities.” Individuals participating in a university procurement are required to give appropriate consideration in the evaluation process to those goods, services, and vendors that reflect a commitment to sustainability or a broader social responsibility. These include but are not limited to life-cycle costs, reusable or recycled goods, energy consumption in production and distribution, diverse vendors, fair trade products certified by Fairtrade International and the Small Producer Symbol (SPP) or demonstrated community impact measurement.

## Policies and Due Diligence Processes

### Procurement Operations and Supply Chain

In accordance with Carleton's [Code of Conduct for Apparel Supplies and Trademark Licences](#), Carleton University has established important policies to address forced labour and child labour within its supply chains. The university's Code of Conduct explicitly prohibits the use of forced labour and child labour:

*“No person shall be employed at an age younger than 15 (or 14, where consistent with International Labour Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age of completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section.”*

*“There shall not be any use of forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise.”*

The code of conduct also requires suppliers to adhere to applicable labour laws and international standards. Carleton’s due diligence processes involve supplier assessments, audits, and ongoing monitoring to ensure compliance with these standards. The existing Carleton University Code of Conduct is scheduled to be reviewed, as part of its scheduled update in September 2024. There is also a robust Procurement Policy to ensure that current legislative and regulatory requirements with respect to public entity purchases are met, including mandatory requirements related to the governing directives. This includes the following purpose:

*“The primary purpose of the Procurement Policy is to ensure that the acquisition of goods and services is undertaken in an open, fair, transparent, efficient, ethical, and cost-effective manner while obtaining the best value for money for the university.”*

## **Responsible Investing**

Carleton’s investment portfolios proactively and directly engage with Boards of Governors of investee companies and where deficiencies are indicated, concrete steps are taken to monitor and effect change.

Carleton’s investment portfolios have policies in place to ensure the investment process reduces the risk of forced labour or child labour in supply chains. This includes a formal monitoring and review process, and a review of the risks associated with changing trend data. All investment managers have scrutinized the supply chain of potential investee companies. Compliance procedures are also in place to ensure operational due diligence reports are completed annually and quarterly reporting is reviewed for additional follow-up.

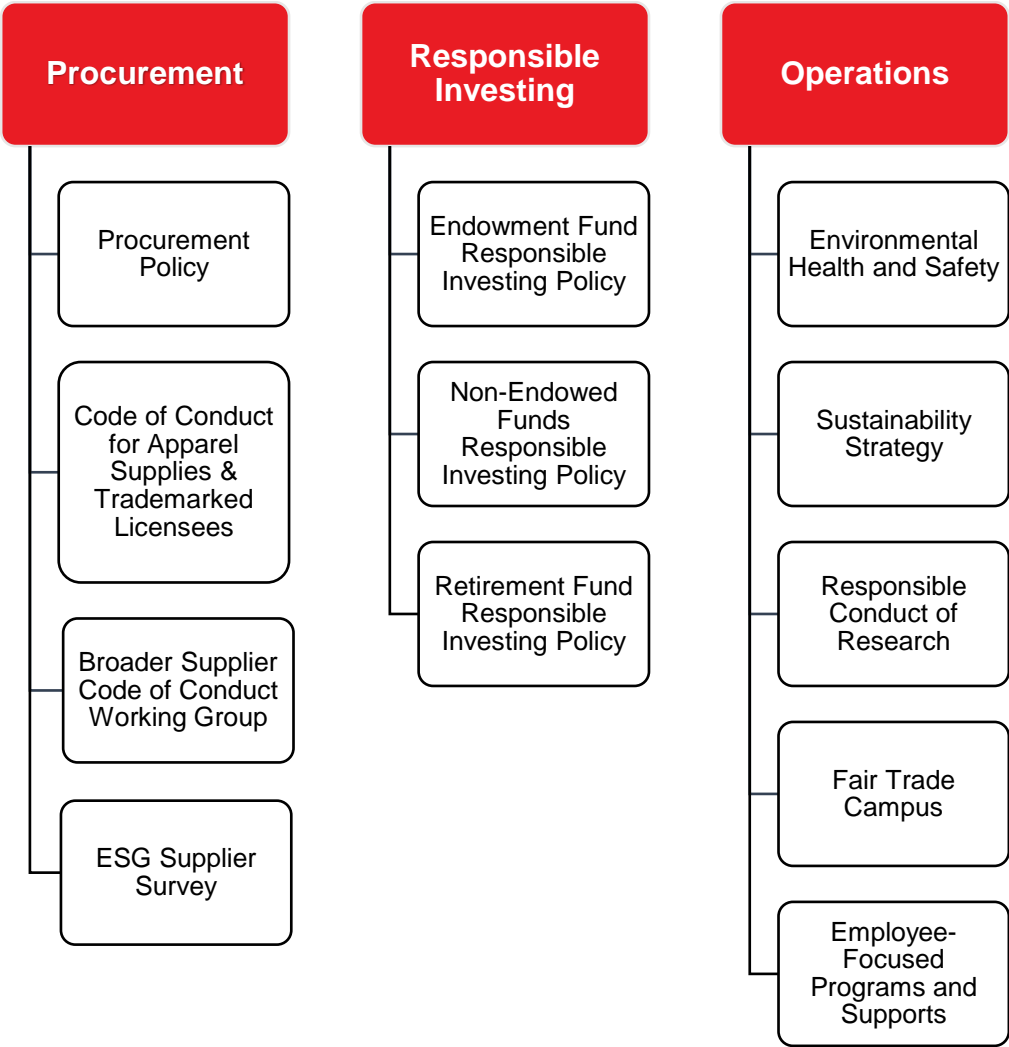
### **Links to related policies:**

[Carleton University Code of Conduct](#)

[Carleton University Procurement Policy](#)

[Responsible Investing Policies](#)

## Supporting Policies and Programs



## Risk Assessment and Management

Carleton University acknowledges that certain parts of its business and supply chains could carry inherent risks of forced labour and child labour. The university has an established risk registry and framework that are used to proactively conduct risk assessments. Through these tools, the university has the ability to identify vulnerable areas and implement risk management strategies to mitigate risks. This framework could include engaging with suppliers to address potential issues, fostering transparency, and diversifying sourcing to minimize dependence on potential high-risk regions.

As a first step, Carleton University is conducting an Environmental Social and Governance (ESG) supplier engagement initiative which includes a comprehensive ESG survey for all relevant suppliers. The survey includes specific questions to identify risks within the supply chain which will help inform a viable supplier engagement strategy going forward. Suppliers are specifically asked if they have a 'Child and Forced Labour Policy' in place and if contractors and subsequent suppliers are required to adhere to a published Code of Conduct. Results of this survey are expected by the next reporting cycle (2025).

In addition to the survey, a review of industry best practices is underway – both of which will inform a future due diligence action plan for the university. The action plan will assist identifying our strengths and limitations in our practices around child and forced labour in our supply chain.



Our investment portfolios have identified activities and supply chains that carry risk of forced and child labour being used. Additional scrutiny surrounds the consumer and retail space where products are made overseas (and sold domestically) and could be subject to this risk. We are aware, in general, that overseas suppliers can have low-cost production which could potentially exploit weak country labour standards. As a general rule, views are tested by referencing the Sustainability Accounting Standards Board (SASB) Standards under their "[Materiality Finder](#)".

### **Remediation Measures (including loss mitigation)**

Carleton has not identified any instances of forced or child labour requiring remediation or loss mitigation. Although the university does not currently have an institutional-wide grievance mechanism to address forced labour and child labour in our supply chain, we will review best practices for a remediation framework for the purpose of reporting suspected incidents of forced or child labour in the university's operations and supply chain.

In our investing activities, mechanisms such as a robust audit strategies undertaken by globally recognized third-party audit firms, virtual audits or shared audits ensures investees compliance with labour standards and applicable laws. Progress tracking and realignment is also undertaken.

## Training

Continuous improvement is at the core of Carleton's value system. We will be able to draw on expertise on campus for training development. There are future plans to collaborate with the Equity and Inclusive Communities (EIC) team at Carleton to develop meaningful training about how to identify or mitigate child and forced labour practices, in the context of procurement. The EIC team also oversees the Ontario Human Rights Code as it pertains to the university's operations.

Furthermore, staff are supported and encouraged to self-educate and mentor others. Several staff are members of external committees and working groups actively working on communicating investment policy enhancements with various levels of government. Carleton's Procurement Services unit collaborates with external organizations, including CAUBO-ACPAU-Sustainable Procurement-Approvisionnement Responsible (CASPAR) and the Canadian Collaboration for Sustainable Procurement (CCSP) on an ongoing basis and participates in information sharing.

## Assessing Effectiveness and Next Steps

Carleton acknowledges the importance of having effective tools and processes in place to ensure the university is in compliance with all regulations and laws. Planned next steps include:

- Conduct environmental scan of partners' practices and procedures
- Develop KPIs and Assessment Framework
- Develop an Action Plan
- Review of industry best-practices
- Information-sharing with external organizations
- Review of compliance report

## Approval and Attestation

I attest that I have reviewed the information contained in the report for Carleton 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 2023-2024 fiscal year. I further attest that, in accordance with the requirements of the Act, this report has been approved by the Carleton University Board of Governors.



Jerry Tomberlin  
President and Vice-Chancellor

Date: May 14, 2024

I have authority to bind Carleton University.