



2023-2024 Toronto Metropolitan University Report: Fighting Against Forced Labour and Child Labour in Supply Chains Act

For the reporting period May 1, 2023 to April 30, 2024

Table of Contents

Introduction	2
University's Structure and Activities	2
Supply Chains	3
University Policies and Due Diligence Processes	4
Risks of Forced Labour in University Supply Chain	6
Steps Taken to Assess and Manage Risk in Supply Chain	7
Measures Taken to Remediate Forced or Child Labour in Supply Chain	7
Measures Taken to Remediate the Loss of Income Resulting From Forced and Child Labour in University Activities	7
Training Provided to Employees on Forced or Child Labour	7
Assesses Effectiveness in Ensuring that Forced and Child Labour are Not Being Used	8
Approval and Attestation	9

Introduction

Toronto Metropolitan University (the “University” or “TMU”) is Canada’s leader in high-quality, career-related education fostering innovation and entrepreneurship. With a mission to serve societal needs, and a long-standing commitment to engaging its community, the University offers more than 125 undergraduate and graduate programs serving more than 46,000 students, including 2,900 master’s and PhD students, over 4,000 faculty and staff and nearly 200,000 alumni worldwide.

This report outlines the University’s existing processes, measures and progress made in the 2023 fiscal year to prevent and mitigate the risks of modern slavery across our supply chain.

University’s Structure and Activities

The University was originally established on September 16, 1948, by an Order-in-Council. Since its inception, the University has undergone several name changes, most recently in 2022 when the institution’s name was updated to Toronto Metropolitan University, reflecting its unique history and urban location.

The University’s bicameral governance structure consists of two governing bodies with separate and distinct roles—the Board of Governors and Senate—and was established by the Ontario government through the *Toronto Metropolitan University Act*. The members of the Board and Senate come from diverse backgrounds. Whether elected or appointed, the members of the Board and Senate are not advocates for any one constituency. All decisions of either body are made in the best interests of the University.

Composed of 24 elected and appointed members from inside and outside the University, the Board of Governors is responsible for the governance of the University; control of its property and revenues; the conduct of its business and affairs, including institutional strategic planning, risk management and financial management of the University.

Comprised of 24 ex-officio members, 52 elected representatives of the University’s faculty, students and alumni, and seven non-voting senate associates, the University’s Senate holds academic authority and is responsible for maintaining, communicating and implementing institutional policies pertaining to: the content and quality of all programs and courses of study; the standards for admission to the university; and, the qualifications for obtaining degrees, diplomas and certificates.

In accordance with the provisions of the *Toronto Metropolitan University Act*, the University’s titular head is the Chancellor who confers all degrees, honorary degrees, diplomas and certificates. The president and vice-chancellor is the University’s chief executive officer and are responsible to the Board and Senate for the implementation, supervision and direction of the educational policy, and general administration and property of the University, including the overall direction of strategic planning, finance and external affairs.

The president is supported by an executive team who oversee the University's academic and non-academic operations. Each member of the executive team advises on policy and administrative matters relating to their area of responsibility.

The University has also established controlled entities that further the University's educational and research aims. They operate as subsidiary organizational entities to the University, but are still partly governed by the University's executive governance.

The University operates in the higher education sector and aims to lead in Canada in career-related education and research. The University seeks to do this in ways which benefit society on a national and a global scale. The University's current [Strategic Vision plan](#) runs from 2020 to 2030 and sets out the key operational plans of the University.

The University's operating budget for the 2023-2024 fiscal year was approximately \$607 million. The University's operating revenue for the 2023-2024 fiscal year was approximately \$661 million, generated primarily from tuition fees and government operating grants.

Supply Chains

Toronto Metropolitan University typically occupies a position at the apex of the supply chain, distanced by several intermediary tiers from the initial stages of raw materials extraction and production. This placement of the University presents a considerable challenge when attempting to comprehensively map the entirety of the supply chain. Given the University's position, it relies on a network of suppliers and vendors across various industries to procure the diverse array of goods and services necessary for its operations.

The University's supply chain encompasses a diverse array of suppliers crucial for supporting its research and teaching endeavours and operational needs, including buildings and grounds maintenance and construction and refurbishment. The supply chain includes local suppliers, self-employed service providers, construction firms, travel and accommodation providers, security firms, and suppliers of IT equipment and consumables.

Notably, a significant majority of the suppliers comprising the University's supply chain are Canadian-based. During the calendar year 2023, 96% of the University's purchase orders by value were issued to Canadian suppliers. This emphasis on domestic sourcing aligns with the University's commitment to supporting local businesses and fostering economic growth within Canada. However, it also underscores the importance of ensuring ethical practices throughout the supply chain, particularly in the context of modern slavery and human trafficking.

The University's total third-party spend on goods and services in 2023 was \$200,894 million. The total amount of imported goods in 2023 by the University was \$1.925 million over 1269 transactions. On average, the individual transaction price was \$1,517 Canadian dollars. The majority, 71% of those imports come from the United States as the country of export. In addition, two-thirds of the University's total imports were produced in Canada or the United States. With

respect to the University's total annual spending, the \$1.925 million in imported goods accounts for 0.19% of the University's total expenses (for 2023).¹

The majority of the goods imported by the University in 2023 were for the University's own use. Of the goods' total value, 4.6% or \$88,449 were intended for resale through the University's Campus Store.

University Policies and Due Diligence Processes

At Toronto Metropolitan University, procurement operates within a structure shaped by various laws, directives and treaties established by both provincial and federal governments. These include: the *Broader Public Sector Accountability Act* and Broader Public Sector Procurement Directive, which sets standards for transparency and accountability in public sector procurement, and the *Building Ontario Businesses Initiative Act, 2022*, aimed at fostering local economic growth and development, and the Canadian Free Trade Agreement (CFTA), the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and the Ontario-Quebec Trade and Economic Agreement (OQTCA), all of which govern procurement practices and ensure fair competition across borders while promoting economic cooperation.

Within the bounds of these legal parameters, Toronto Metropolitan University has established a robust procurement framework. This framework encompasses a series of procedures and policies managed by various departments to oversee supply chain management and procurement activities. While these policies do not necessarily directly refer to modern slavery, these measures aim to uphold ethical standards and address common vulnerabilities and power imbalances that are relevant to combating it.

The University is committed to only engaging in business with suppliers that can demonstrate they operate responsibly. Currently, our standard terms and conditions that form part of every purchase order or agreement require suppliers to abide by all applicable laws including those addressing forced labour and child labour laws. In addition, the University's Campus Store has developed a supplier [code of conduct](#) that governs purchases of apparel and clothing items. Clothing products which are licensed to bear the University trademark sold through the University Campus Store are required to be produced in an ethical manner consistent with international labour standards. All suppliers who supply goods to the Campus Store are required to agree to the code of conduct as a condition of doing business.

The University has identified seven core values that are fundamental to the work of the University community, and are to be lived across all aspects of university life. One of those enumerated values is wellbeing. The University is committed to creating a safe, secure, collegial, healthy and inclusive environment that puts people first, is supportive of the whole person and enhances the development of physical, mental, emotional and spiritual wellbeing. This commitment inherently rejects practices that undermine human dignity, such as modern slavery and human trafficking. Upholding this value requires proactive measures to combat

¹ Data provided by Thompson Ahern International for January 1, 2023 to December 31, 2023.

exploitation and ensure that the University's operations and supply chains are free from any form of forced labor or exploitation. This aligns with the University's broader mission to promote social responsibility, ethical conduct and the holistic wellbeing of its community.

Within Financial Services, there are several policies that influence how purchases are made including: the University's [Social Purchasing Policy](#), the [Purchasing Policy](#) and the [Purchasing Procedure](#). In addition to this, there are other policies that affect how individuals can be reimbursed and clarify what types of expenses are eligible university expenses, which also impact how goods and services are procured at the University. These policies and procedures include the [Faculty and Staff Reimbursement Policy](#) and [Faculty and Staff Reimbursement Procedure](#), as well as the [University Purchasing Card \(P-Card\) Policy](#) and [Purchasing Card \(P-Card\) Procedure](#).

Purchases of goods or services by the University with a value in excess of \$120,000 are undertaken under an open competitive bidding process as per the trade agreements that the University is subject to. The purchasing activities for these goods and services are centralized within the University's purchasing department in Financial Services to ensure that these purchases are managed in an open, fair and transparent manner.

Purchasing activity under \$120,000 is decentralized to University departments where leaders manage their own purchasing decisions in compliance with the University's purchasing policies and procedures. Central purchasing services is engaged to provide support and recommendations and reviews all purchase orders for compliance. These purchases can be made using a number of different tools and processes including purchase orders, University corporate credit cards, cheque requisitions, invoice direct payments and expense reimbursements, all of which are governed by various policies and procedures.

All activity at the University is subject to internal controls and due diligence. The University's [Conflict of Interest Policy](#) sets out the ethical principles that the University requires staff members to comply with in the performance of their roles at the University to promote standards of conduct that support the mission and values of the University. The [Execution of Contracts Policy](#) requires that the University's contracting authorities consider probity issues and undertake an appropriate level of pre-contract due diligence and risk assessment before binding the University to a contract.

Internal Audit Services at Toronto Metropolitan University provides independent, objective assurance and advisory services designed to improve and add value to university operations. Internal Audit Services reports administratively to the vice-president, administration and operations and functionally to both the president and vice-chancellor and the TMU Board of Governors Audit Committee.

The University provides mechanisms for safe disclosure for individuals who may identify or suspect acts of fraud, theft or other misappropriation of University resources. Reports can be submitted using a confidential and safe online tool. These disclosures are managed by the University's [Safe Disclosure Policy](#) and [Safe Disclosure Procedure](#).

Risks of Forced Labour in University Supply Chain

Toronto Metropolitan University faces its greatest risk of exposure to forced labor and child labor through its suppliers. These risks are primarily associated with the procurement of goods from higher-risk geographies and sectors.

Specific industries, characterized by unique operational processes and products, present heightened risks of modern slavery. Globally recognized high-risk sectors include extractives, textiles, fashion, electronics, cleaning and agriculture. Of those industries, the textiles and fashion sectors are most applicable to the University. The University has recognized the heightened risks of modern slavery within the textile and fashion sectors and, as noted above, has taken proactive steps to address these concerns through the implementation of a supplier code of conduct to ensure that clothing products that are licensed to bear the University trademark, are produced in an ethical manner consistent with international labour standards. This includes the requirement that all suppliers must engage workers who are present to work voluntarily, are not at an undue risk of physical harm, are fairly compensated and are not exploited in any way.

The country of a supplier can be indicative of a higher risk indicator for modern slavery. Certain countries pose elevated risks of modern slavery due to factors such as inadequate governance, fragile rule of law, ongoing conflicts, significant migration patterns and socio-economic challenges like widespread poverty. These factors contribute to the vulnerability of workers within these countries and increase the likelihood of exploitation within their supply chains. As noted above, the majority of the University's imported goods come from the United States, but the University understands that the potential risks of forced labour and child labour may exist within the extended supply chain and the albeit limited imports brought in from higher risk countries. The absence of transparency regarding how direct suppliers themselves address ethical concerns creates complex and opaque structures within supply chains. This opacity necessitates additional due diligence efforts to ensure that ethical standards are upheld throughout the supply chain. The University recognizes that continued enhancements can be done to ensure supply chain compliance with labour laws and to this end, will aim to develop an institution-wide supplier code of conduct that will be embedded in University daily operations and required of all University suppliers and partners. The University further intends to create a supplier code of conduct that will be a condition and form part of the Purchasing Policy to govern all purchases. This will help to reinforce the University's commitment to its expectations from its suppliers on a consistent basis.

Additionally, the University acknowledges ongoing education and training is required for all individuals involved in purchases on behalf of the University to assess risks of purchases that could be made from higher risk suppliers in the extended supply chain. Efforts will be made to ensure enhanced due diligence is done prior to purchasing from suppliers.

Steps Taken to Assess and Manage Risk in Supply Chain

The University recognizes the importance of assessing and managing the risk of forced labor in its supply chains, and while it expects the risk is low given its purchasing profile in addition to ensuring funds are not transferred to sanctioned countries, it is committed to taking additional proactive steps to address this issue. While immediate actions have not yet been taken, the University acknowledges the need to conduct a comprehensive review of its supply chain activities and processes, in collaboration with other Ontario and Canadian universities to better understand vulnerabilities. In addition, it will consult with internal stakeholders to align their departmental activities to further enhance due diligence and risk management activities related to issues, such as human rights.

An essential aspect of this process will be the ongoing mapping of the University's supply chain, focusing on suppliers who have directly contracted with the University (Tier 1 suppliers) and the suppliers associated with higher-risk industries or locations (Tier 2 suppliers). By gaining a thorough understanding of purchasing activities, the University can develop informed recommendations for future actions.

Internal training, processes for reporting suspicious or actual violations, and contract templates such as a code of conduct or language that prohibits forced labour and child labour are also important areas the University intends to explore that will help ensure only ethical suppliers with strong supply chains do business with the University.

Measures Taken to Remediate Forced or Child Labour in Supply Chain

At this time, the University has not conducted a detailed review of its supply chains but is not aware of any forced labour or child labour currently being used in its supply chains. As part of a holistic review of the University's supply chain, processes and activities, processes will be reviewed for the continual monitoring and escalation of forced labour.

Clear policies and procedures will be established to allow the University to identify and report suspected or known issues of forced labour and child labour.

Measures Taken to Remediate the Loss of Income Resulting From Forced and Child Labour in University Activities

The University has not yet conducted a detailed review of its supply chain and therefore is not aware of any victims as a result of University purchases made from suppliers known to have utilized child labour or forced labour.

Training Provided to Employees on Forced or Child Labour

Training, ongoing education and awareness of forced labour and child labour will be critical for University staff who are engaged in purchasing activities. Additionally, ensuring that the

University's suppliers are aware of the legislation and University policies regarding these practices will also be critical as additional programs are developed and rolled out both internally and externally.

To address these objectives, the University will embark on developing training initiatives aimed at enhancing knowledge and awareness of modern slavery issues within its supply chain. These efforts will include creating guidance materials and training programs tailored for the University's buying community with the goal of equipping staff members with the necessary tools and insights to identify high-risk areas effectively and address them appropriately. By providing targeted training and guidance, the University seeks to empower its buying community to proactively mitigate the risk of modern slavery within its supply chain, unfolding the University's culture of ethical procurement practices and social responsibility.

Assesses Effectiveness in Ensuring that Forced and Child Labour are Not Being Used

Toronto Metropolitan University recognizes the significance of measuring and evaluating its actions to enhance processes, measurement tools and outcome-driven performance indicators. This is aimed at consistently reducing the risk of modern slavery practices within the University's operations and supply chain.

In a broader sense, TMU is committed to enhancing and refining its response to these risks, understanding that this is an evolving process. Over the reporting period, TMU has commenced laying the groundwork to establish a framework to identify and mitigate forced labour risks within its operations, supply chain and affiliated entities.

Acknowledging the recency and complexity of this endeavour, assessing the effectiveness of these actions could be challenging. Consistent with TMU values, the University is committed to prioritizing process improvements, enhanced controls, ongoing education and training for its personnel, suppliers and stakeholders to remain vigilant to these risks.

Approval and Attestation

I, Anthony Staffieri, Chair of the Board of Governors of Toronto Metropolitan University (the "University"), hereby certify for and on behalf of the University, and not in my personal capacity, that the attached report entitled "2023-2024 Toronto Metropolitan University Report: Fighting Against Forced Labour and Child Labour in Supply Chains Act" has been approved by the University's Board of Governors by a resolution of its members on June 27, 2024 in accordance with paragraph 4(a) of the "Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff".



Anthony Staffieri
Chair, Board of Governors of Toronto Metropolitan University