McGill

Annual report in compliance with the

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Financial Reporting
Year 2025

Royal Institution for the Advancement of Learning
McGill University

Board of Governors Approval and Signed 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 McGill 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 reporting year 2025.

I have the authority to bind McGill University,

Full name: Maryse Bertrand

Title: Chair of the Board of Governors

Date: April 25, 2025

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Introduction

McGill University is submitting this report as an "entity" under the provisions of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (hereafter "the Act"). The University is an "entity" under the Act because it has a place of business in Canada, it had at least $20 million in assets for at least one of its two most recent financial years, it has at least 250 employees, and imports goods into Canada. McGill University is subject to Quebec's *Act respecting contracting by public bodies* and some of its acquisitions are strictly acquired through group purchases, as determined by Government decree.

Reporting under subsection 11(1)

Description of the steps taken by McGill University to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere of goods imported into Canada by McGill University.

McGill University actively communicates its expectations for socially responsible supply chains. It has a Supplier Code of Conduct which is embedded in the terms and conditions of all contracts and purchase orders (for the acquisition of goods, services and construction works). This Code of Conduct requires that the University's suppliers "Respect the Fundamental Principles and Rights at Work and 11 Fundamental Instruments of the International Labour Organization (ILO)" including the Forced Labour Convention of 1930 (No.29) and the Worst Forms of Child Labour Convention of 1999 (No. 182). The supplier Code of Conduct is available in English and in French on the University's website.

While the University does not have the means to audit the thousands of suppliers providing it with various goods, services and construction works, its Procurement Services does assess the risk of forced labour and child labour in its supply chain and adopts measures to prevent and minimize such risks.

As part of this strategy, McGill's Procurement Services identifies suppliers in high-risk sectors, whose supply chain may be located (in whole or in part) in areas where forced labour or child labour is more prevalent, or where state sponsored forced labour is documented. The Procurement Services team is also aware of particular risks when goods, services or construction works are provided through the involvement of vulnerable workers. The University may require that suppliers have their own Supplier Code of Conduct and demonstrate how they monitor compliance throughout their supply chain. Alternatively, and as part of its notices of request for information or as part of its calls for tenders the University may require potential contractors to; 1. identify tier two suppliers and provide their full contact information; 2. identify potential risks pertaining to the presence of vulnerable workers (migrant workers, temporary foreign workers or asylum seekers with workers permits) in their supply chain; as well as 3. describe the strategies they use to identify and prevent forced labour and child labour throughout their operations and supply chain and disclose any high-risk situations they may have identified.

For the moment, the University focuses on the following products: Food, Electronics, Research Equipment, Apparel, and Lab supplies. Other product categories are considered for screening on an ad hoc basis (as

acquisitions are planned), if we can identify that they are produced in “high risk” regions, or produced by contractors relying on more vulnerable workers. This has been the case, in 2024-2025 for plumbing supplies as well as electrical supplies.

These categories have been prioritized, based on:

- ✓ Our level of spend in these respective categories.
- ✓ A review of the risks established (by type of goods) by the U.S. Department of Labor’s ILAB “Sweat and Toil” application.
- ✓ An understanding of the material content and production tied to high-risk extractive industries and conflict minerals, including tin, tantalum, tungsten, and gold (3TGs).
- ✓ Risks associated with production in various jurisdictions, as documented by the Walk Free Global Slavery Index.
- ✓ Reports and information provided by the Business and Human Rights Resource Center, Human Rights Watch, and other similar reputable NGOs.
- ✓ Regular monitoring and consultation of NGO reports and media coverage on issues related to forced labor and child labor.
- ✓ Issues arising in the media which have highlighted new risks in relation to the presence of vulnerable workers in particular industries.
- ✓ Research using AI, to identify industries susceptible of supplying goods or services using forced labour or child labour.

Other relevant activities aimed at preventing or reducing risks are as follows:

- ✓ The University’s Procurement Services unit requires some suppliers to be members of industry initiatives ensuring that their supply chain is audited / screened for forced labor and child labor. For example, we require that IT product suppliers be members of the Responsible Business Alliance (RBA).
- ✓ The University is a member of the Fair Labor Association (FLA) and the Workers Rights Consortium, which help contribute to more responsible supply chains in the apparel industry.
- ✓ We encourage our professional buyers and internal clients to make acquisitions from local suppliers and social economy suppliers where the value of such acquisitions remain below trade agreement amount thresholds for public tendering. We consider that for many spend categories, local production and working conditions are less likely to lead to forced labor and child labor.

- ✓ As part of our public tendering process, we started requiring that bidders in “at risk” categories provide a copy of their own Supplier Code of Conduct and ensure that these documents contain provisions against forced labor and child labor.
- ✓ We require “at-risk” suppliers to disclose the names and addresses of their main suppliers, we require that they declare if they employ temporary foreign workers or asylum seekers with workers permits, and we require that they describe their strategy to prevent forced labour and child labour in their supply chain
- ✓ We have developed a Supplier Sustainability Due Diligence Questionnaire which we have shared with other institutions and have embedded clauses in contracts to the effect that suppliers will have to respond to the questionnaire during the term of the contract.
- ✓ We became a Fairtrade “Silver” campus and have been taking steps to increase the share of Fairtrade certified products in our purchases of coffee, chocolate, sugar and tea in our food courts and events. Forced labour and child labour are prohibited under the Fairtrade standard.
- ✓ McGill University’s Procurement Services contribute to the work of standard development organisations in the area of corporate social responsibility as a means to encourage industry compliance. McGill has designated a “purchaser” stakeholder representative in the National Science Foundation (NSF)’s technical committee reviewing standards for corporate social responsibility in the electronics industry (including the development of measures pertaining to the respect of Human Rights and ILO Core Conventions). This participation helps inform the University’s strategies for reducing risks in its supply chain while conveying the importance of reducing these risks to partnering industry members.
- ✓ The Procurement Services unit collaborates with other Higher Education Institutions to develop capacity building regarding sustainable procurement, including Human Rights and environmental due diligence processes, sharing training materials, and holding collaborative workshops.
- ✓ McGill’s Procurement Services has joined the International Working Group on Ethical Public Procurement (IWGEPP).

Reporting under subsection 11(3)

A. Structure, activities, and supply chains

McGill University is a leading research and education institution. It is a non-profit organization located in Montréal, Canada. The University has approximately 45,000 students and just under 10 000 employees (faculty and staff) spread mainly across two campuses. McGill University spends roughly CAD 350 million each year on a wide variety of goods, services and construction works. The University's supply chain spans the globe and involves some 10 000 suppliers (16,500 when counting the different merchants the University purchases from using procurement cards) providing a wide variety of items such as food, construction materials, farm equipment, musical instruments, chemicals, research instruments as well as different professional services in communications, human resources, engineering, and so on. Approximately 5000 people can acquire goods and services on behalf of the institution, for teaching, research or activities related to our operations.

B. Policies and due diligence processes in relation to forced labour and child labour

McGill University's Sustainable Procurement Policy establishes the University's commitment to supporting socially responsible supply chains. The University uses its Supplier Code of Conduct, embedded in its contractual terms and conditions, to convey the importance of respecting ILO Core Conventions.

Following an assessment of the level of risk involved with particular purchases, the University uses a variety of strategies to prevent forced labour or child labour in its supply chain.

- Requiring that contractors have a supplier code of conduct with provisions against forced and child labour and have this published on their website.
- Requiring that contractors disclose (provide the names and addresses of) their main suppliers.
- Requiring that contractors disclose whether they use temporary foreign workers or asylum seekers with working permits.
- Requiring that contractors describe their strategies and actions aimed at fighting against forced labour and child labour, which may be used as part of a qualitative assessment and influence contract adjudication.
- Requiring contractors to be members of industry initiatives, or ecolabel initiatives, which involve the conduct of audits in their supply chain.
- Sharing its supplier list with organizations such as the Workers Rights Consortium, which monitor the respect of workers' rights in supply chains providing university apparel.
- Mandating, as part of contractual obligations, that suppliers respond to a Supplier Due Diligence Questionnaire, which includes questions pertaining to the prevention of forced labour and child labour in supply chains.
- Contacting suppliers and conducting due diligence when issues arise (in the news, for example) and the University suspects there may be instances of forced labour in its supply chain.

C. Parts of our supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk

Initially, McGill identified the following “high-risk” spend categories: Food (chocolate, coffee, tea, sugar, bananas and other fruits), apparel and other McGill -branded merchandise, electronics, vehicles, lab supplies (including personal protective equipment) and research equipment. This year, and in addition to the above, the University has identified the presence of vulnerable workers (the use of temporary foreign workers and asylum seekers with working permits) in its supply chain as a factor leading to potential high-risk situations for forced labour.

The University uses a combination of steps and mechanisms to assess and manage risk:

- Industry auditing schemes and standards
- Joining associations supporting worker-led monitoring and audits
- Specific questions and due diligence process applied to certain contractors
- Online research and monitoring of resources focusing on human rights and supply chains
- Contacting suppliers and requesting clarification in instances where forced labour is suspected

D. Measures taken to remediate any forced labour or child labour

McGill University has not yet faced a situation requiring remediation.

E. Measures taken to remediate the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour or child labour

McGill University has not yet faced a situation requiring remediation or compensation.

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

McGill University’s Procurement Services unit offers a Sustainable Procurement Course made available to all Faculty members and Staff members. This training workshop is given 2 or 3 times per year, or on an ad hoc basis as part of an internal “sustainable workplace” certification process. The content mentions the existence of forced labour and child labour around the world, presents ILO data about regions where forced labor and/or child labor is most prevalent, and explains how Faculty and Staff can engage in mitigating supply chain risks by favouring local products, fair trade products, goods and services provided by social economy businesses, products that meet particular certifications and so on. Faculty members and Staff members are also exposed to the University’s Supplier Code of Conduct and encouraged to do business with firms whose activities, products and supply chain are most likely to respect the spirit and principles contained therein.

The data presented comes mainly from the following report:

https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_854733.pdf

The University's Office of Sustainability offers an online sustainability course which contains a section pertaining to sustainable procurement and the importance of minimizing the risk of forced labour and child labour in supply chains.

Procurement Services collaborated in a Canada-wide inter-university initiative to develop a short video on university supply chains and human rights. This video is being finalized, translated, and will be available shortly online.

G. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

For the moment, we can confirm that 100% of the University's suppliers are subject to the University's Supplier Code of Conduct, which clearly expresses the expectation that human rights and labour rights be respected throughout its supply chain.

Currently, we are not systematically assessing the effectiveness of our initiatives aiming to prevent forced labour. Nonetheless, we can confirm that some of the goods and consumables we acquire (computers, cell phones, printers, servers, coffee and tea, apparel) come from suppliers and supply chains that are subject to third party risk assessments and/or provisions prohibiting forced labour and child labour. It is our intention to increase the share of all imported products covered by such measures.

As we have now developed a Supplier Sustainability Due Diligence Questionnaire, we will start using this document and measuring the proportion of "high-risk" suppliers who have completed this questionnaire.