

# Report Under The Fighting Against Forced Labour And Child Labour In Supply Chains Act

# INTRODUCTION

This report has been prepared for the financial year ending December 31, 2023, pursuant to Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”). This report describes the steps that the Greater Toronto Airports Authority (the “GTAA”) has taken to prevent and reduce the risk of forced labour and child labour in the GTAA’s supply chain.

The GTAA’s Board of Directors approved this report on May 1, 2024.

## 1. STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

### GTAA’s Structure

The GTAA is a corporation without share capital incorporated under the Canada Not-for-profit Corporations Act and is a designated airport authority under the federal Airport Transfer (Miscellaneous Matters) Act. The GTAA has Members rather than shareholders or other equity holders. Its Members are also its Directors. The GTAA is governed by a 15-member Board of Directors.

The GTAA has two subsidiaries which have both been incorporated under the Canada Business Corporations Act: Malton Gateway Inc. (“MGI”) and Airway Centre Inc. (“ACI”). ACI is wholly owned by MGI, and MGI in turn is wholly owned by the GTAA. MGI and ACI do not meet the threshold tests under the Act and are therefore not required to report. MGI and ACI are included for informational completeness only.

### GTAA’s Business & Activities

The GTAA is the operator of Toronto – Lester B. Pearson International Airport. Its purposes include developing, managing, and operating airports within the south-central Ontario region, including the Greater Toronto Area, setting fees for the use of such airport, and developing and improving the airport facilities. At present, the GTAA operates Toronto Pearson International Airport only and does not engage in business activities outside Canada. As of December 31, 2023, the GTAA employed 1745 persons engaged in management, technical, administrative, and general labour activities.

### GTAA’s Supply Chain

In 2023, the GTAA purchased and imported goods from the United States, the United Kingdom, Germany, and Ireland. The GTAA imported goods related to baggage handling, passenger experience, airport and aircraft operations, and maintenance. The GTAA’s supply chain includes a wide range of products and services spanning across various sectors including, primarily, transportation and warehousing and commercial real estate. The GTAA aims to source locally to the greatest extent possible.

## 2. POLICIES & DUE DILIGENCE PROCEDURES

All GTAA procurement contracts require suppliers to adhere to all applicable laws, including all federal, provincial, municipal, local, or other laws, rules, statutes, regulations, orders, codes, judgments, decrees, treaties or other requirements having the force of law.

### Supplier Code of Conduct

The GTAA's Supplier Code of Conduct (the "Code") describes its expectations that suppliers uphold the human rights of workers and treat them in accordance with internationally accepted standards and laws governing working conditions. This includes the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

In accordance with the Code, suppliers must comply with the standards described in the Code and are expected to ensure those standards are being upheld by each of their subcontractors. Since 2023, all requests for proposals ("RFPs") issued by the GTAA have included the Code and have required compliance with the same. Further, all supply contracts entered into since 2023 explicitly incorporate the Code by reference.

Among other requirements, the Code stipulates that suppliers must:

1. uphold the human rights of workers;
2. not use, and ensure subcontractors do not use, child labour and pay Young Workers, interns and apprentices at least the same wage rate as other entry-level workers performing equal or similar tasks;
3. adhere to a zero-tolerance policy on workplace harassment, violence, and discrimination;
4. ensure that regular working and overtime hours do not exceed the maximum stipulated under local, provincial, or federal applicable laws, except in emergency circumstances;

5. comply with all applicable laws relating to the employment of persons, including minimum wages, severance (including notice thereof), overtime hours, and legally mandated benefits;
6. provide a work environment in which employees are treated with dignity and respect; and
7. evaluate the origin or source of their materials throughout their supply chains to ensure the materials have not been obtained in any illegal or unethical manner or in violation of the Code.

Consequences for not complying with the Code include early termination of the contract, claims for damages, and other civil or criminal action, as applicable.

The Code can be found on the GTAA's website on the page "Resources for Suppliers", available at this [link](#).

### Code of Business Conduct and Ethics and Whistleblower Policy

The GTAA has a Code of Business Conduct and Ethics which guides the conduct of its business. It provides a framework for employees to make the right day-to-day decisions, requires that all employees act in a fair, ethical, respectful and reputable manner at all times, and be vigilant in preventing, identifying and reporting any unethical conduct. In addition, under the GTAA's Whistleblower Policy, all employees are expected to report unethical or inappropriate conduct and may do so anonymously.

## Sustainable Procurement

The GTAA encourages sustainable procurement and expects its suppliers to support its commitments to the community and environment. Its Sustainable Procurement Guidelines are also available on the “Resources for Suppliers” webpage at this [link](#) (the “Guidelines”). The Guidelines are used to evaluate responses to RFPs, and assign points based on the social procurement plans put forward in the proposal by suppliers. The Guidelines identify many key goals, including the following which relate to eliminating forced labour and child labour:

- local hiring of workers and local sourcing of suppliers;
- investing in employees, including both formal and on-the-job training, and apprenticeship opportunities;
- ethical treatment of workers / fair labour practices for third party contracts; and
- sustainable economic development in local communities.

## 3. FORCED LABOUR AND CHILD LABOUR RISKS

The GTAA has an understanding of the locations from which finished goods are purchased and the manufacturers from whom finished goods are directly purchased. In upcoming years, the GTAA will conduct an in-depth assessment of its secondary supply chains in any high-risk categories. It has also established a Confidential Anonymous Reporting for Employees and Suppliers hotline (described in more detail below) through which forced labour and child labour risks may be brought to the attention of the GTAA by suppliers and employees anonymously.

For 2024, the GTAA is working the following steps to mitigate the risks of forced labour and child labour in its supply chain:

- Internally monitor legislative changes and best practices to recommend process or policy improvements, if required, to the GTAA and continue reporting under the Act.

- Revising the Supplier Code of Conduct and GTAA procurement policies to incorporate the definitions of “forced labour” and “child labour” as codified by the Act.
- Expanding GTAA procurement policies and the Guidelines to include references to laws and global conventions related to forced labour and child labour.

In future years, the GTAA will consider the implementation of practices and policies to determine any significant risks of forced labour and child labour in its supply chain, for e.g., the retention of a third-party service provider to complete a risk assessment of GTAA supply chains to identify high-risk categories and suppliers in support of potential risk-mitigation measures.

## 4. REMEDIATION MEASURES

The GTAA has established a Confidential Anonymous Reporting for Employees and Suppliers hotline through which anyone may report a breach of either the Code of Business Conduct and Ethics or the Supplier Code of Conduct. Reports are reviewed and investigated by a Whistleblower Committee whose members include the General Counsel, Chief Human Resources Officer and the Chief Financial Officer, and are supported by the Internal Audit department with reporting provided to the Audit Committee of the Board.

To date, the GTAA has not become aware of any forced labour or child labour in its activities and supply chains through the available mechanisms as described above.

## 5. REMEDIATION OF LOSS OF INCOME

To date, the GTAA has not become aware of any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains through the available mechanisms described in Section 4. As a result, the GTAA has not taken any remedial measures with respect to loss of income as a result of efforts to reduce forced and child labour.

## 6. TRAINING

GTAA employees who are involved in procurement of goods are aware of the Supplier Code of Conduct and the requirement for inclusion in RFPs and contracts for goods. Efforts are taken to communicate and increase awareness of the requirements described in the Supplier Code of Conduct, particularly with employees who are engaged in supply chain management or with suppliers. In addition, all GTAA employees must complete an annual training on and certification of compliance with the Code of Business Conduct and Ethics.

The GTAA has not yet implemented formal training courses on forced labour and child labour but will assess the implementation of such formal training in the future.

## 7. ASSESSING EFFECTIVENESS

As mentioned above in section 4, the GTAA has not become aware of any risks of forced labour or child labour in its supply chains through the available mechanisms. If such risks are identified the GTAA will take actions to prevent and reduce such risks in its goods importation activities and supply chains. In order to strengthen its ability to assess the effectiveness of its efforts, the GTAA will establish periodic reviews of its practices, policies and procedures to track their effectiveness in future years.

## ATTESTATION

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of the GTAA on May 1, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof I, the undersigned, attest that I have reviewed the information contained in the report for the entity specified below. 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 specified above.

I make the above attestation in my capacity as Chair and on behalf of the Board of Directors of the Greater Toronto Airports Authority.

GREATER TORONTO AIRPORTS AUTHORITY

Per: 

Name: Doug Allingham

Title: Board Chair

Date: May 1, 2024

*I have the authority to bind the GTAA.*