

Appendix A

PERTH AND SMITHS FALLS DISTRICT HOSPITAL

FORCED AND CHILD LABOUR REPORT

Financial Year April 01, 2023, to March 31, 2024



Introduction

This Report has been prepared in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“the Act”) in relation to the fiscal year from April 01, 2023, to March 31, 2024.

This Report was developed following consultation with relevant Perth and Smiths Falls District Hospital (PSFDH) personnel and personnel from Mohawk Medbuy Corporation (MMC), and outlines actions taken by PSFDH during the fiscal year to prevent and reduce the risk of forced and/or child labour within its operations and supply chains.

PSFDH is committed to respecting human rights as a fundamental principle in our operations.

This Report has been approved by PSFDH’s Board of Directors.

Structure, Activities, and Supply Chains

Structure

Perth and Smiths Falls District Hospital (the “Hospital”) is an acute care community Hospital focused on patient-centered care strengthened with the involvement of the Patient Family Advisory Committee, a compassionate health care team, and solid partnerships with throughout the region.

The Hospital provides high quality of care at two sites, as well as Lanark County Mental Health and Lanark County Support Services, operating in multiple locations serving the residents and their families from the County of Lanark and the United Counties of Leeds and Grenville, and surrounding areas.

The Hospital operates as a public hospital pursuant to The Public Hospitals Act and is incorporated without share capital under the Canada Business Corporations Act.

The registered office of PSFDH is 60 Cornelia Street West, Smiths Falls, Ontario, Canada, K7A 2H9.

PSFDH employs 700+ staff, 200 physicians, 200+ volunteers annually, and has an annual operating budget of approximately \$85 million.

Additional information about PSFDH, including its annual reports and audited financial statements, is available at www.psfhdh.on.ca

Supply Chains

PSFDH's supply chain activities include purchasing a broad range of goods and services from international, national, regional, and local suppliers.

PSFDH relies on a third-party, MMC, for a majority of its supply chain activities. MMC is a national, not-for-profit, shared services organization trusted by hundreds of Canadian hospitals and health care providers to drive value, efficiencies, legal compliance, and cost savings on the supplies and services they use. MMC is an entity under the Act and subject to its own reporting obligations.

MMC is expected to manage PSFDH's supply chains, including competitive procurement processes (e.g. RFPs) and contracts, in a way that complies with all legislation and is consistent with fair and ethical business practices.

Items procured by PSFDH fall into the following categories:

Equipment

Including medical, mechanical, office, infrastructure, and safety equipment.

Supplies

Including medical, mechanical, office, infrastructure, and safety supplies.

Services

Including agreements for maintenance and repair on equipment procured by PSFDH. Construction services for maintenance, repair, and development of the hospital's infrastructure (e.g. plumbing, electrical, mechanical, and other trades as required). Landscaping and grounds keeping services, including snow removal and lawn/garden care services.

Policies and Due Diligence

There are several policies, processes, and practices across PSFDH which minimize the risk of forced labour and/or child labour practices in our operations and within our supply chains.

Policies

PSFDH's human resources, finance, and quality and risk departments are among those that ensure compliance with laws and internal policies. Policies like the Code of Conduct, Workplace Harassment and Discrimination Prevention, Conflict of

Interest, General Executive Limitations, Signing Authority, Purchasing and Procurement, and Whistleblowing policies, which promote legal and ethical business practices within our operations, and our supply chains.

Code of Conduct

Our Code of Conduct establishes value-based principles for how we interact and treat internal and external stakeholders with respect and dignity in all our interactions.

Workplace Harassment and Discrimination Prevention

PSFDH strives to provide a working environment in which all individuals are treated with respect and dignity in accordance with the *Ontario Human Rights Code*.

Conflict of Interest

Our Conflict of Interest policy requires all PSFDH affiliates to carry out their duties honestly, responsibly and in accordance with the highest ethical and legal standards.

General Executive Limitations

Holds Executives responsible to establish management processes to ensure that all practices, activities, and decision making are not imprudent, illegal, in violation of commonly accepted business and professional ethics, or in violation of relevant legislation and regulations.

Signing Authority

Ensures the appropriate level of authority is obtained for all operating, capital and business transactions and that these decisions are consistent with the strategic plan, hospital policy and budget, and in compliance with legislation.

Purchasing and Procurement

Identifies that PSFDH will use MMC as its primary contracting agent for procurement of goods and services (with some exceptions) and will utilize Group Purchasing Organizations (GPOs) where appropriate. This policy commits PSFDH to compliance with Ontario's [*Broader Public Sector Procurement Directive*](#) (BPSPD), and the [*Building Ontario Businesses Initiative Act \(BOBI\)*](#). The BPSPD ensures that publicly funded goods and services are acquired through a process that is open, fair, and transparent, and establishes a Supply Chain Code of Conduct that Broader Public Sector (BPS) organizations must follow. The BOBI Act requires BPS organizations to contribute to the growth of Ontario business by providing for circumstances in which public-sector entities are required to give Ontario businesses preferential scoring when conducting procurement initiatives for goods and services over a specified threshold amount.

Due Diligence

Operations

PSFDH's commitment to respecting human rights is embedded in our corporate policies and practices. In our operations, we do not utilize forced or compulsory labour and forbid child labour in our workforce.

All of our employees are above the legal minimum employment age in Ontario and are recruited and provided with working conditions and the payment of wages and benefits that comply with applicable laws and regulations.

A majority of our employees are highly skilled and trained professionals including nurses, allied health professionals, and administrative staff. Majority of our workforce is represented by a trade union with their terms and conditions of employment negotiated and outlined in a collective agreement.

We believe that the risk of forced labour and/or child labour among our personnel is exceptionally low to nil.

Supply Chains

As an MMC member, PSFDH relies upon the efforts of MMC for the purposes of managing and monitoring its supply chain operations and compliance programs. MMC is subject to their own reporting requirements under the Act.

MMC provided its membership a letter of attestation on March 13, 2024, outlining its compliance with the Act. MMC confirmed that during the reporting period, they took steps to reduce the risk of forced and/or child labour, including but not limited to:

- Modified competitive procurement templates (e.g. RFP), to include language that suppliers/vendors bidding for Hospital business must attest to the following: *"Warrants that the goods and services that the Proponent is proposing to provide to the Purchaser are not the result of, and in no way involve, forced labour or child labour."*
- Modified standard contract language to include the following in Representation and Warranties which the successful supplier/vendor must agree to: *"The goods and any services provided by the Supplier under this agreement are not the result of, and in no way involve, forced labour or child labour."*

MMC formalized its commitment to sustainability and Environmental, Social, & Governance (ESG) practices through the creation of a dedicated ESG team. This group is responsible for program development to ensure MMC's ongoing

sustainability, and to support its members as an enabler of a cohesive, sustainable health care supply chain.

MMC has advised its members that it has not been made aware of any instances where forced labour and/or child labour exists in current supply chains, but should such instances become known, MMC will inform its membership.

Going forward, over the coming reporting periods, MMC is planning iterative improvements to the activities undertaken relative to the Act and health care supply chains. These include the development of internal policy and training for those in sourcing and supply chain roles.

PSFDH and MMC comply with the BPS Procurement Directive and BOBI, which in turn reduces the risk of forced labour and/or child labour in its supply chains.

Supply Chain Risks

With the enactment of the Act, PSFDH has a plan to go forward, in partnership with MMC, to minimize the risk of forced and/or child labour in our supply chains. Known risks include:

Volatility in Global Supply Chains

Supply chain volatility during the COVID-19 pandemic led to many vendor amalgamations over the past several years, resulting in reduced availability of many preferred products, and in some cases, the elimination of entire product lines. In order to ensure patient care is not compromised, off-contract vendor substitutions have become commonplace. Although substitutions are approved for sale in Canada, it is difficult to discern their country of origin.

Existing Contracts

Vendor and supplier contracts that were in existence prior to the Act coming into effect do not have standardized forced labour and/or child labour attestation language built into them. This risk will continue until existing contracts expire and are renewed or replaced.

Remediation Measures

We did not identify any instances of forced labour and/or child labour in our operations or supply chains during the reporting period. In the event that PSFDH is informed of, or discovers, the potential or confirmed presence of forced and/or child labour in its operations or supply chains, PSFDH will ask the company to investigate and take appropriate remedial measures.

Loss of Income

As PSFDH did not identify any instances of forced labour and/or child labour in its operations or supply chains, no measures were taken to remediate the loss of income to the most vulnerable families that resulted from measures taken to eliminate the use of forced labour and/or child labour.

Training

During the reporting period, PSFDH provided awareness materials on the Act to the following groups/persons:

- Senior Leadership Team,
- Leaders heading the Supply Chain and Procurement functions

Assessing Effectiveness

PSFDH is planning to introduce certain measures (ie Diversity, Equity, Inequality over the next fiscal years aimed at reducing the risk that forced labour and/or child labour will be used in its activities and in its supply chains. It has not yet taken any measure to assess the efficiency of such measures.

Approval and 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 or entities 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 respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind the corporation:

 _____ Michael Cohen , President & Chief Executive Officer	_____ May 30, 2024 Date
 _____ Dr. Warren Hollis, Chair, Board of Directors	_____ May 30, 2024 Date