

Appendix A

PERTH AND SMITHS FALLS DISTRICT HOSPITAL

FORCED AND CHILD LABOUR REPORT

Financial Year April 1, 2025 – March 31, 2026

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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 1, 2025 to March 31, 2026.

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 and MMC during the fiscal year to prevent and reduce the risk of forced and/or child labour within its operations and supply chains.

Perth and Smiths Fall District Hospital is defined as an “Entity” under Bill S-211 and, therefore, must submit an annual report to the Minister of Public Safety by May 31 of each year. Reports must detail the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used by PSFDH in our 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 throughout the region.

The Hospital provides high quality care at two sites in Perth Ontario and Smiths Falls Ontario, serving the communities of Lanark County and the United Counties of Leeds and Grenville, and surrounding areas. The hospital also oversees Lanark County Mental Health and Lanark County Support Services, operating in multiple locations.

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 \$100 million.

Additional information about PSFDH, including its annual reports and audited financial statements, is available at www.psfhd.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 the majority of its procurement and 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 mandated 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, technology, infrastructure, and safety equipment.

Supplies

Including medical, mechanical, office, technology, infrastructure, food 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. Technology services including software licensing and maintenance.

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, regulations and internal policies. Policies such as the Code of Conduct, Workplace Harassment and Discrimination Prevention, Conflict of Interest, General Executive Limitations, Signing Authority, Purchasing and Procurement, Whistleblowing, and Ethics 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 vested parties 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

This policy 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.

Ethics Framework

PSFDH has an Ethics Framework that includes an Ethics Committee, ethics policies and ethical decision-making tools that supports ethical practices and processes.

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. The majority of our workforce is represented by trade unions with their terms and conditions of employment negotiated and outlined in collective agreements.

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 2, 2026, outlining its compliance with the Act. MMC has implemented policies and due diligence processes and taken additional steps during the reporting period to reduce the risk of forced and/or child labour, including but not limited to:

Contractual Framework

Competitive procurement templates (e.g. RFP), 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.”

Standard contract language includes 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.”*

Supplier Due Diligence During the Sourcing Process

Many of the suppliers that respond to MMC procurements have a long history of working with MMC. When new suppliers respond, MMC thoroughly reviews their responses to the attestation and Agreement to ensure that they are compliant with the Act. If MMC is advised of any suspicious activity on this front, it is thoroughly investigated. If a supplier is found to not be adhering to the law, they will be eliminated from the procurement and any future procurements until such time that they can demonstrate compliance.

Supplier Engagement

MMC engages suppliers through annual business reviews and ad hoc communications to share their Environmental, Social and Governance (ESG) supply chain risk management efforts, including ESG risk assessments, and their compliance activities under the Act.

Formal Grievance Mechanism

MMC is committed to supporting the highest standard of ethics in their business practices. Employees, contractors and suppliers must report any suspected irregularity as early as possible. MMC’s third-party Whistle Blower Reporting Line operates 24 hours a day, seven days a week, 365 days a year. It is provided by a confidential and anonymous external service to which employees and other third parties (e.g., contractors and suppliers) may make a good faith report about suspected irregularities. The Whistle Blower Reporting Line can be accessed through MMC’s website.

Supplier ESG Risk Management

Mohawk Medbuy conducted a Supplier ESG Risk Assessment for the Reporting Period, which represented approximately 70% of MMC’s total contracted spend. As part of the Assessment, they reviewed supplier disclosures on unethical labour practices, environmental violations, overall regulatory compliance, as well as supply chain risk management practices and associated documentation. From the suppliers in their sampling, there were no reported violations under the Act.

Supplier Standards

A “MMC Supplier Standards” document (Supplier Code of Conduct) has been developed to further reinforce the expectations and obligations of suppliers in meeting ethical, social, environmental and governance requirements, including the elimination of forced labour and child labour.

MMC's Supplier Standards are planned for implementation in 2026 and are currently undergoing legal review prior to rollout. The implementation will follow a phased approach, beginning with MMC's top suppliers.

Supplier ESG Maturity Assessment

Delivered in the form of a supplier survey, a Supplier ESG Maturity Assessment will be implemented in the next financial year. It will be rolled out to top suppliers to gain a clearer understanding of their overall ESG performance, including supply chain risk management, and to show potential areas for advancement.

Forced Labour and Child Labour Risks

With the enactment of the Act, PSFDH, in partnership with MMC, is committed to minimize the risk of forced and/or child labour in our supply chains. PSFDH and MMC recognize there are inherent risks within the health care sector. Industry-related risks arise from the complexity and diversity of materials and services needed in health care operations. Geography-specific risks may arise from the variations in labour laws, enforcement and governance across global regions. MMC's risk exposure is directly linked to that of their contracted suppliers and have implemented a multi-pronged approach to mitigate such risks. These include a comprehensive Supplier ESG Risk Assessment, contractual and RFX requirements strictly forbidding child labour and forced labour in our supply chain. MMC is developing a Supplier Code of Conduct, which will be implemented in 2026 to reinforce expectation of suppliers to conduct business ethically, transparently and with the highest levels of integrity.

MMC will continue to strengthen their governance measures to more effectively track and assess how contracted suppliers are addressing forced labour and child labour risks within their operations, as well as the mitigation mechanisms they've implemented to manage those risks.

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. PSFDH nor MMC have therefore taken any measures to remediate forced labour or child labour.

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

MMC has developed ESG training that has been completed by all MMC employees, and forms part of the mandatory onboarding training for new employees. The training includes a module addressing the Fighting Against Forced Labour and Child Labour in Supply Chains Act and provides guidance on relevant contract language, emphasizing that such language must not be removed during contract negotiations. MMC has also developed ESG training for Members, including PSFDH which includes content addressing the Act, and can be used by Members for employee training and compliance purposes.

More training will be developed in the next financial year to enhance the current training modules and provide further education to Strategic Sourcing teams on supplier risk management best practices.

Assessing Effectiveness

As referenced throughout this report, PSFDH and MMC have strong governance frameworks which promotes legal and ethical business practices within our operations, and our supply chains. PSFDH and MMC have introduced certain measures over the last fiscal year aimed at reducing the risk of forced labour and/or child labour used in its activities and in its supply chains and have implemented evaluation processes including monitoring supplier performance through an annual Supplier ESG Risk Assessment along with enhancing current measures by implementing a Supplier ESG Maturity Assessment in 2026 to support the ongoing evaluation of supplier progress.

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 this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year of April 1, 2025 to March 31, 2026.

I have the authority to bind the corporation:

Michael Cohen
President & Chief Executive Officer

Date

Dr. Warren Hollis
Chair, Board of Directors

Date