

Appendix A

PERTH AND SMITHS FALLS DISTRICT HOSPITAL

FORCED AND CHILD LABOUR REPORT

Financial Year April 1, 2024 – March 31, 2025

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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, 2024 to March 31, 2025.

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.

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 \$86 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 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 recently implemented 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 7, 2025, 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 has provided Environmental, Social and Governance (ESG) training (including that specific to Bill S-211) to all relevant employees (including all Sourcing staff). This training highlights obligations, Request for Proposal (RFP), and contract language relevant to Bill S-211 and guides the employees to not allow removal of that language through any negotiations.
- MMC issued a “Supplier Risk Assessment” in September 2024 to their top 200 suppliers, and MMC continued to collect this data, including any EcoVadis or similar 3rd party risk assessment reports.
- MMC’s ESG Team has been making preparations to launch a “Supplier Code of Conduct” in 2025 which will further reinforce MMC’s standards and expectations of suppliers (including the elimination of forced labour and child labour).

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.

MMC has also formalized an emphasis on sustainability and ESG elements, through the creation of a focused ESG team. This team is responsible for program development, to ensure their organization’s ongoing sustainability, as well as supporting their Members as an enabler of a cohesive sustainable health care supply chain built on a high degree of standards.

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.

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, in partnership with MMC, is committed 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 has 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. Vendors are now asked the country of origin for any new procurements.

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:

- Board of Directors,
- Senior Leadership Team,
- Leaders heading the Supply Chain and Procurement functions.

Assessing Effectiveness

As referenced throughout this report, PSFDH has a strong governance framework 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. It has not yet taken any steps 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 this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year of April 1, 2024 to March 31, 2025.

I have the authority to bind the corporation:

_____	<u>May 27, 2025</u>
Michael Cohen	Date
President & Chief Executive Officer	

_____	<u>May 27, 2025</u>
Dr. Warren Hollis	Date
Chair, Board of Directors	