

ANNUAL REPORT
FOR THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN
SUPPLY CHAINS ACT

For the Financial Period:

April 1, 2023 to March 31, 2024

St. Joseph's Healthcare Hamilton
a division of the St. Joseph's Health System

Prepared in accordance with the requirements of the "Fighting Against Forced Labour and Child Labour in Supply Chains Act", (the "Act") and in particular section 11

To: The St. Joseph's Hamilton Joint Board of Governors, (the "Board")
From: Michael Heenan, President
St. Joseph's Healthcare Hamilton, a division of St. Joseph's Health System
Date: May 30, 2024
Reporting Period: April 1, 2023, to March 31, 2024

On behalf of St. Joseph's Healthcare Hamilton, a division of St. Joseph's Health System, I attest that I have reviewed the information contained in the report for the entity 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.

Michael Heenan
President
St. Joseph's Healthcare Hamilton, a division of St. Joseph's Health System

I have the authority to bind St. Joseph's Healthcare Hamilton, a division of St. Joseph's Health System
May 30, 2024

Barbara Beaudoin
Chair of the Board
St. Joseph's Healthcare Hamilton, a division of St. Joseph's Health System

I certify that this attestation has been approved by the St. Joseph's Hamilton Joint Board of Governors on
May 30, 2024

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Executive Summary

This annual report outlines the approach and initiatives by St. Joseph's Healthcare Hamilton (SJHH), a division of St. Joseph's Health System, to identify and address the risks of forced labour and child labour in its business operations and supply chains.

This report is made pursuant to Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* (the "Act") and is prepared in compliance with section 11 of the Act for the financial reporting year of April 1, 2023, to March 31, 2024.

SJHH is deeply committed to upholding human rights and ensuring ethical practices throughout its operations, including its supply chain. This includes ensuring that the organization respects human rights, a commitment that is reflected in SJHH's internal policies and other provincial and regional legislation, such as Ontario Human Rights Code and Employment Standards Act, 2000 (ESA).

In alignment with the core values of SJHH, and in response to the imperative set forth by Bill S-211, by completing this report, SJHH hereby confirms its compliance and enforcement of Bill S-211 to prevent and reduce the risk of forced labour or child labour in its supply chain. SJHH understands that the process of fighting against forced labour and child labour in supply chains is complex and evolving. Hence, the adoption of the Act requires execution of ongoing and iterative processes across the SJHH organization. As such, SJHH will continue to explore opportunities to improve and enhance supply chain transparency, and to develop policies and training programs for its employees.

Section 1: Structure, Activities, and Supply Chains

Structure

St. Joseph's Healthcare Hamilton (SJHH) is a Canadian public hospital established in 1890, and has been providing health services to the Hamilton-Niagara-Haldimand-Brant region for over 150 years. As a division of the St. Joseph's Health System, the organization operates across three main campuses, specializing in respiratory care, kidney and urinary care, mental health and addictions, surgical services, cancer surgery, and women's and infants' care. SJHH employs more than 5,000 staff, including 700 physicians and 1,000 volunteers, and serves over 50,000 patients annually.

Activities and Supply Chains

As a publicly funded broader public sector organization in Ontario, SJHH adheres to federal and provincial trade agreements to govern its supply chain operations. These agreements, including the Canadian Free Trade Agreement (CFTA), Comprehensive Economic and Trade Agreement (CETA), and Broader Public Sector Accountability Act Procurement Directive (BPS), provide the framework within which SJHH conducts its procurement activities.

SJHH primarily procures goods and services within Canada, with some direct purchases from the United States of America, in instances where Canadian divisions or distribution channels are unavailable. These procurement practices align with the competitive procurement methods outlined in the BPS, CETA, and CFTA agreements. Contracts are established either locally, between SJHH and a vendor, or through various buying groups such as hospital group purchasing organizations (GPOs), provincial cooperatives, and provincial vendor-of-record arrangements.

SJHH actively participates in several buying groups to streamline its procurement processes and leverage collective purchasing power. The hospital is a member of the Mohawk-Medbuy Corporation GPO, a cooperative member of the Ontario Education Collaborative Marketplace, and frequently utilizes Ontario Ministry of Government Services vendor-of-record arrangements. These collaborations ensure compliance with applicable trade agreements and enable SJHH to access a wide range of goods and services at competitive prices. Contracts established between buying groups and vendors stipulate that the same goods and/or services be made available to other public sector organizations, including SJHH.

Annually, SJHH awards approximately 200 contracts and engages in purchases from over 400 active contracts. These transactions result in over 15,000 purchase orders being issued, with 50% of these purchase orders directed to 15 established Canadian vendors.

Section 2: Policies and Due Diligence Processes

SJHH adheres to many examples of provincial and regional legislation, such as the Ontario Human Rights Code and Employment Standards Act, 2000 (ESA). Furthermore, SJHH has established internal policies and procedures to ensure that the hospital is aligned with best practices and regulatory requirements pertaining to human rights, a commitment that is reflected in SJHH's various code of conduct policies, including but not limited to Harassment and Discrimination Prevention, Whistleblower Protection, and Workplace Ethics policies.

Current guiding policies are as follows:

- A) The Employment Standards Act, 2000 (ESA), which protects employees and sets minimum standards for most workplaces in Ontario, including but not limited to minimum wage, hours of work and overtime, public holidays, vacation time and pay, leaves of absence, termination notice and pay.
- B) Ontario Human Rights Code, which prohibits actions that discriminate against people based on a protected ground in a protected social area.
- C) SJHH Harassment and Discrimination Prevention Policy, which has been established to prevent discrimination and harassment from taking place at SJHH.
- D) SJHH Whistleblower Protection Policy, which has been established to provide an environment in which staff are free to report, in good faith, any concerns or wrongdoing without fear of intimidation or retribution.
- E) SJHH Workplace Ethics Policy, which outlines the responsibilities and guidelines that are expected of all people working at SJHH, and aligns with SJHH's core values of integrity, trust, compassion and respect for human dignity.

Section 3: Risks and Management of Risks

SJHH's supply chain encompasses a number of activities and processes that range from the acquisition of medical supplies and equipment to the delivery of patient care. SJHH has conducted various risk assessments to identify parts of its operation and supply chain that may involve the risk of forced labour or child labour.

In particular, labour and raw material shortages leading to supply shortages can heighten the risk of forced labour within hospital supply chains. The COVID-19 pandemic has underscored this risk, particularly as PPE manufacturers faced challenges due to these shortages. Various external reports and assessments suggest that the production of personal protective equipment (PPE) could have been done using child labour or forced labour overseas. This occurred amidst a nationwide shortage of personal protective equipment (PPE), during the COVID-19 pandemic, magnifying the impact of forced labour concerns.

The most recent assessment of SJHH's supply chains has not identified any instances of forced labour or child labour. Furthermore, SJHH has not been made aware of any such occurrences through its partners or external channels (e.g. provincial bodies, contracted vendors, GPOs).

Actions Taken

In collaboration with Mohawk-Medbuy Corporation and its legal review, SJHH has promptly taken steps to revise its request for proposal (RFP) and contract templates. These updates include incorporating specific language aimed at preventing and mitigating the risk of forced labour or child labour within its supply chains. All vendors seeking to participate in competitive solicitations and secure contracts issued by SJHH must attest their compliance with Bill S-211. Additionally, vendors must confirm their commitment to abstaining from the use of forced labour and child labour in their supply chains at all times.

Risk Assessment

SJHH has made significant strides in mitigating the risks associated with forced labour and child labour by updating its RFP and contract templates. It remains a priority for SJHH to actively monitor new legislation pertaining to labour practices and collaborate with its buying groups and hospital partners.

Moving forward, SJHH aims to leverage the collective influence of its buying groups and hospital partners to implement cohesive policies and training programs for its employees that address forced labour and child labour concerns within hospital supply chains. SJHH endeavours to uphold ethical standards and ensure the welfare of workers throughout its procurement activities.

Section 4: Remediation of Risks

In addressing the critical issue of forced labour and child labour within its supply chains, SJHH is committed to implementing comprehensive strategies aimed at both short-term and long-term remediation.

In the short term, SJHH will focus on the immediate implementation of stringent criteria within its RFP and contract templates. These criteria will serve as robust evaluation measures to ensure that manufacturers and vendors seeking to engage in business with SJHH have effective preventative and remediation measures in place to combat forced labour and child labour. By enforcing these criteria, SJHH aims to establish a proactive approach towards eliminating such unethical practices from its supply chains.

Looking towards the future, SJHH recognizes the importance of adopting policies that provide a practical framework for addressing instances of forced labour and child labour within its supply chain. In doing so, SJHH will align its strategies with the policies of its buying groups and hospital partners, ensuring a cohesive and unified approach towards combating forced labour and child labour across the healthcare industry. By implementing these short-term and long-term strategies, SJHH endeavours to uphold its commitment to ethical sourcing practices and contribute towards the eradication of forced labour and child labour from its supply chains.

Section 5: Remediation of loss of income to the vulnerable families

SJHH has not found any areas of risk regarding the loss of income to vulnerable families as a result of the measures it implemented to reduce forced labour and child labour in its supply chain.

Section 6: Employee Trainings and Communications

SJHH is committed to ongoing training and regular review of its policies regarding forced labour and child labour in hospital supply chains. SJHH will work closely with other entities and hospital partners, to develop training materials regarding the Act, such as Ontario Hospital Association (OHA), hospital partners, and GPOs.

Training sessions and policy reviews will be conducted for strategic sourcing specialists and other relevant employees involved in procurement of goods/services and contract awarding. These sessions will focus on familiarizing staff with updated requirements and evaluation criteria outlined in RFP and contract templates. Additionally, SJHH will participate in all seminars and awareness campaigns offered by federal and provincial supply chain bodies. The objective of the training will be to ensure all SJHH employees stay informed and vigilant about ethical sourcing practices and the prevention of forced labour and child labour within SJHH's supply chains.

Section 7: Assessing Effectiveness

To determine the effectiveness of policies addressing forced labour and child labour within supply chains, SJHH will track key performance indicators (KPIs) such as the number of trained employees, engagement with suppliers on awareness, remediation actions taken, completed audits, incident reporting rates, supplier compliance, continuous improvement initiatives, and supplier performance reviews. These KPIs provide insight into the level of awareness, compliance, and responsiveness to issues, enabling SJHH to gauge the impact of its policies and drive continual improvement in combating forced labour and child labour.

END OF ANNUAL REPORT