

## **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**

#### **Modern Slavery Statement for the Financial Year ended December 31, 2023**

This statement is made pursuant to Bill S-211, a Bill to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by Capital Health Holdings Inc. and its direct and indirect subsidiaries, Capital Health Partners Inc., Ontario Medical Supply Inc., Royal Drugs Inc. and Accellor Medical Inc. (collectively, the Company”) to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing on July 24, 2023 and ending on December 31, 2023. The head office of all companies is 1100 Algoma Road, Gloucester, Ontario, Canada, K1B 0A3.

Ontario Medical Supply Inc. sells and rents medical supplies and equipment. Royal Drugs Inc. operates pharmacies. Accellor Medical Inc. sells medical supplies and equipment.

The Company and everyone we are connected to by way of business relationships, contracts and third parties are expected to follow the law and ensure that minors are not employed or deemed to be forced labour.

As a Company, we want to conduct business in a legal, ethical manner and ensure we are not taking part in children’s exploitation and help end it to the best of our ability. We take the topic of forced labour and child labour very seriously. We will only partner with reputable manufacturers that have policies in place to protect the vulnerable, no matter in which country they operate. Our manufacturing partners must ensure that all third parties follow similar standards when employing their workforce and supply chain.

The Company is committed to the education our employees by requiring them to comply with our Employee Principles Rules of Conduct Policy. The policy is meant to provide general guidelines and should be used as a reference.

#### **Supply Chain**

The company purchases items from hundreds of manufacturers and wholesalers in Canada and the United States.

The Company expects our manufacturing partners, and their third parties, to respect the rights of all individuals and practice fair and non-discriminatory labour practices. All labour must be voluntary. We expect all manufacturers, and their third parties, to make the same commitments and abide by a code of conduct. Manufacturer partners should have local representation to ensure that laws against child labour are enforced.

#### **Risks in Supply Chain**

Some of the items purchased from North American suppliers may originate further down the supply chain in other countries.

## **Actions Taken**

### **Human Rights Statement**

The Company is an inclusive and equal opportunity employer committed to providing diversity and accommodations for employees or applicants upon request at any stage of the recruitment process in accordance with the Accessibility for Ontarians with Disabilities Act (AODA) and the Ontario Human Rights Code. The Company's commitment to respecting human rights across the organization make up our fundamental principles.

The Company will work to continue integrating our commitment to respect human rights into operational policies and procedures across the organization, including upon review or initiation of supplier contracts and relationships. We will continue to prioritize any identified or potential risks, from our supply chains/business relationships, that we deem to have the greatest impact within our organization.

### **Supplier codes of conduct**

Many of our large international manufacturer partners have codes of conduct training that must be completed annually online. Failure to complete this training could result in the loss of ability to carry the line. Sample language from a Manufacturer Code of Conduct:

*[Manufacturer] expects its Sales Partners to meet the same standards that we set ourselves. Sales Partners shall be committed to treating all workers with dignity and respect. Sales Partners must comply with all applicable employment laws and regulations, including laws relating to non-discrimination, fair treatment, wages, benefits and working hours.*

*Sales Partners shall not make use of any form of forced, coerced, bonded, indentured or compulsory labour, including (amongst others) prison labour, labour enforced by debts or violence, or labour enforced by withholding of personal identification documents. Sales Partners shall also comply with all applicable labour laws, rules and regulations, including but not limited to, all laws forbidding the solicitation, facilitation, or any other use of slavery, forced labour or human trafficking. Sales Partners must ensure that they are compliant with these requirements and regularly take measures to audit, identify and eliminate any form of slavery, forced labour or human trafficking within their business or within the business of counterparties with whom they work.*

*Sales Partners must use only workers who meet the minimal legal age for employment as defined by local law where they work, as well as for the type of work. As mentioned below, Sales Partners are expected to report any actual or suspected violations of this Sales Partner Code to [Manufacturer]'s management or Legal department without delay. Failure to do so, or failure to adequately rectify the issues that have arisen to the satisfaction of [Manufacturer] may lead to the termination of the business relationship.*

### **Customer expectations**

Our customer base has also become very aware and diligent in only doing business suppliers that do not allow for child labour in their supply chains. Sample language from customer Terms & Conditions:

*Any infringement on human rights, but especially those of children, is of considerable concern to [Customer]. Proponent(s) wishing to do business with [Customer] are asked to promote the purchase of goods from companies that operate in full compliance with the laws of their respective*

*countries and with all applicable child labour laws, rules and regulations related to hiring, wages, hours worked, overtime and working conditions.*

### **Employee education on the issue of risks within your supply chain**

Current employees will review the updated Employee Principles Rules of Conduct, Human Rights Policy and sign off. New employees will review the same policy and sign off as part of their onboarding.

### **Onboarding of New Suppliers**

Our expectation is that new distribution agreements should have relevant language as it pertains to the prevention child labour in the supply chain.

### **Risk Assessment**

Individuals from our Human Resources, Procurement and Executive Departments were involved in understanding and fulfilling our obligations under Bill S-211.

Our top manufacturer partners, who are a significant presence in the world-wide marketplace, make up a significant portion of our business. The Company has sent and will continue to send out attestations annually to suppliers whereby they will indicate they have policies and procedures in place to combat child labour in their supply chains as well as including affirmative statements in future contracts, renewals and extensions with our suppliers. We will also review our manufacturer partners' websites as reports such as this are posted to their respective websites.

### **Remediation**

#### **Reporting Concerns**

The Company will continue to develop opportunities by which anyone, including our employees, contractors and suppliers can raise their concerns with us, including those related to human rights. Our human rights reporting is accessible by email ([hr@oms.ca](mailto:hr@oms.ca)).

### **Training**

Training will consist of reading the policy and reporting concerns to Human Resources and/or our CEO/CFO

Ongoing training will consist of legislation updates being added to the existing policy, any amendments that are required to be made to our contract/agreements. Providing all employees with any updates by way of reading an amended policy and signing off on the refresher through our learning management system.

### **Effectiveness Assessment**


We will have procedures in place to confirm training and compliance by our existing 380 employees and we will ensure future employees are trained and aware of compliance requirements at the time of onboarding.

The Company has reached out to our top suppliers to ensure they understand the importance of keeping child labour out of their supply chain. We received many signed attestations indicating they have policies and procedures in place indicating such. We will continue to follow up on non-responses, monitor the

affirmative response rate and assess whether the compliance rate is acceptable and take remediation steps if it is not.

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 Company and its subsidiaries 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.

Yves Portelance  
Chief Executive Officer  
May 16, 2024



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I have the authority to bind Capital Health Holdings Inc.