

Fighting Against Forced Labour and Child Labour in Supply Chains Report

May 31, 2024

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Identifying Information

Legal name: HealthPRO Procurement Services Inc.

Financial reporting year: April 1, 2023 – May 31, 2024

Business number: 88883 8950

This report is for HealthPRO Procurement Services Inc., hereafter referred to as HealthPRO Canada, an **entity** in accordance with Act C9.

This is *not* a revised version of a report already submitted this reporting year, neither is it a joint report.

HealthPRO Canada is *not* a government institution, *nor* a Crown corporation.

HealthPRO Canada is *not* subject to reporting requirements under supply chain legislation in another jurisdiction.

HealthPRO Canada falls within the following categories, in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act:

- A Canadian business presence, which has a place of business in Canada, does business in Canada, and has assets in Canada.
- Meets size-related thresholds insofar as it has at least \$20 million in assets for at least one of its two most recent financial years and has generated at least \$40 million in revenue for at least one of its two most recent financial years.

HealthPRO Canada, a corporation, is headquartered in Oakville, Ontario, Canada and operates within the “health care and social assistance” sector.

Structure, Activities, and Supply Chains

HealthPRO Canada is legally classified as a corporation, with its shareholder group comprised of members that include healthcare facilities, paramedic services and municipalities.

HealthPRO Canada is a decentralized and formalized organization. It operates according to the following structure:

- **Hierarchy:** Top management includes the President & CEO, Chief Information Officer and six Vice-Presidents. Oversight into HealthPRO Canada's governance, strategic plans and performance is provided by its elected Board of Directors.
- **Departmentalization:** HealthPRO Canada is organizationally structured by function. These departments include Corporate Excellence, Member Success, Finance, IT & Cybersecurity, Pharmacy, Materials Management, People & Culture, and Facilities.
- **Chain of Command:** The flow of authority and communication begins in most cases from the senior leadership team and extends downward through various levels of management to frontline employees.

HealthPRO Canada's role is to provide contract services on behalf of Canadian healthcare facilities. Its organizational mandate is to support the healthcare system by maximizing the value derived from procurement activities.

Number of employees both in Canada and outside Canada as of May 31, 2024 is 134.

HealthPRO Canada's partner organizations and/or membership in a group is limited to collaborative partnerships with the Supply Chain Management Association of Ontario, GS1 Canada, MedTech Canada, CPS an Avendra Company, GHX, CMEPP, ISMP Canada, CSHP, Health Canada and Health Proc Europe.

HealthPRO Canada does *not* have control of other entities.

As part of its role as a group purchasing organization, HealthPRO Canada procures goods for its members. More specifically, HealthPRO Canada enters into supply arrangements with various suppliers in regard to various goods, will make purchases of such goods pursuant to said arrangements and will resell such goods to its members. It is important to note, however, that the foregoing is undertaken without HealthPRO Canada ever taking possession of the purchased goods and later transferring possession of such goods to its members. HealthPRO Canada members are designated as HealthPRO Canada's agents in all such procurement activities, receive purchased goods directly from suppliers and otherwise engage directly with suppliers in terms of goods they ultimately procure through HealthPRO Canada.

HealthPRO Canada's supply chains are described as:

1. Supply chains *associated* with products and services purchased by healthcare facilities in Canada, from HealthPRO Canada's role as the contract service provider. The Report is based upon reporting for this subset of supply chain actors.
2. Vendors used by the organization for its operations, including but not limited to: vendors of office supplies, office furniture, consulting services, technology equipment, printing service providers, and local caterers. This Report does *not* report on actions taken against forced labour and child labour occurring within HealthPRO Canada's vendor supply chain segment.

Entity Reporting

In the previous fiscal year, HealthPRO Canada has supported the prevention and reduced risk that forced labour or child labour is used at any step of the production of goods or of goods imported into Canada by HealthPRO Canada through the following measures:

- Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour

DEVELOPING AND IMPLEMENTING ANTI-FORCED LABOUR AND/OR -CHILD LABOUR STANDARDS, CODES OF CONDUCT AND/OR COMPLIANCE CHECKLISTS

The majority of HealthPRO Canada contracts commencing April 1, 2023, or afterward included a scored question in its RFPs related to a supplier's public facing commitment to eliminate forced labour as defined by the International Labour Organisation's Forced Labour Convention. This question scores the supplier based on how well their public-facing commitment addresses the 11 indicators of forced labour.

Although not part of any contracts starting within the 2023/24 fiscal year, HealthPRO Canada added additional informational questions regarding suppliers' reporting experience and any continuous improvement measures they have taken to address Forced and Child Labour within all levels of their supply chains. Additionally, HealthPRO Canada's Sustainability Scorecard requires suppliers to disclose any legal actions, sanctions, or fines imposed on their organization in the last five years related to non-compliance with forced and child labour reporting obligations.

Examples of informational questions include prompts for suppliers to describe any internal policies or procedures the organization has in place to ensure compliance with reporting obligations, and to outline the measures the organization has implemented to monitor and enforce adherence to reporting obligations throughout its supply chains.

Within Food & Nutrition contracts and where applicable, HealthPRO Canada's Nutrition and Food Services partner Complete Purchasing Services "CPS" (starting Oct 1, 2023), strictly requires that its suppliers comply with all applicable laws, and, in addition, have multiple policies and processes to set expectations for suppliers regarding human rights and labour rights (including child labour and forced labour).

ENGAGING WITH SUPPLY CHAIN PARTNERS ON THE ISSUE OF ADDRESSING FORCED LABOUR AND/OR CHILD LABOUR

HealthPRO Canada has taken several actions towards educating and building awareness among its internal and external stakeholder groups, including employees, members and suppliers, on the topic of forced labour and child labour occurring within supply chains and on the Bill S-211 reporting requirements.

These actions include:

- Webinars in October and November 2023 on HealthPRO Canada's scorecard criteria addressing forced labour within a supplier's supply chains and how to understand and respond to this question.
- Webinar in February 2024 on the Fighting Against Forced Labour and Child Labour in Supply Chains Act in which HealthPRO Canada's legal counsel provided an understanding the intent of the Act and offered guidance for members and suppliers on meeting the legislated requirements.
- Original articles published in the organization's newsletters and on its website.
- Created and distributed an FAQ document with guidance provided by Blaney McMurtry LLC regarding the Fighting Against Forced Labour and Child Labour in Supply Chains Act to attendees.

Policies, Procedures and Due Diligence

HealthPRO Canada has *not* started the process of identifying risks in its activities and supply chains.

The parts of its supply chains that carry risk *may* include product manufacturing in foreign countries for which HealthPRO Canada has limited or no visibility into the manufacturers' operations, policies, or level of compliance with labour standards.

HealthPRO Canada are committed to further development of their Sustainability Scorecard such that questions regarding the auditing and remedies the contracted suppliers have in place to have

complete visibility into forced labor, and how they address removal of such throughout all aspects of their supply chains. This is currently being researched and expected to be part of Sustainability Scorecards starting December 2024.

While HealthPRO Canada has *not* proactively identified forced labour or child labour risks in its activities and supply chains, an incident of forced labour identified within its supply chains was brought to HealthPRO Canada's attention by way of the media in January 2021. This manufacturer, located in Malaysia and found to be in violation of labour rights, provided medical gloves to healthcare facilities in Canada for which HealthPRO Canada managed the purchasing contract process.

Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries?: The incident listed above, while *not* identified by HealthPRO Canada, falls under the following sector: Healthcare and social assistance.

No remediation measures have been taken in relation to this occurrence of forced labour.

As stated on page four (4) of this report, HealthPRO Canada has responded to the risk of forced labour and/or child labour occurring in its supply chains by including questions in its RFPs that address forced labour and child labour (alongside quality, pricing and supplier performance criteria).

The addition of this criteria within the overall supplier assessment aims to incentivize suppliers to implement actions to mitigate the risk of forced labour and/or child labour occurring within their supply chains, as the supplier's overall RFP score and likelihood of being awarded a contract increase.

HealthPRO Canada does *not* have policies in place related to forced labour and/or child labour in its supply chains.

HealthPRO Canada's due diligence activities involve a process step in which its contract specialists validate that a supplier has a public-facing commitment towards forced labour and child labour, where they have responded to this effect. This process occurs during the RFP scoring stage.

No further auditing actions are being taken at this time to validate responses to informational questions on the subject of forced labour and child labour occurring within suppliers' supply chains.

Remediation

HealthPRO Canada has *not* taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in the organization's activities and supply chains.

Assessing Effectiveness

HealthPRO Canada does *not* have policies or procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

Training

HealthPRO Canada does *not* provide training to employees on the risk of forced labour or child labour occurring within its supply chains.

Awareness materials have been provided to employees through webinars and articles written for HealthPRO Canada's newsletters and website, and educational presentations have been delivered during mandatory all-staff meetings. Webinar recordings and supporting materials such as the FAQ document can be found in a central repository accessible by all employees on the employee intranet.

Resources

Awareness-building content from the HealthPRO Canada website pertaining to the Sustainability Scorecard and/or forced labour include:


1. “Fostering Sustainability in Pharmacy: The time for action is now”
<https://www.healthprocanada.com/article/fostering-sustainability-in-pharmacy-the-time-for-action-is-now>
2. “Join us for our Sustainability Rounds Pathway Series: The Sustainability Scorecard for Members and Suppliers”
<https://www.healthprocanada.com/article/join-us-for-our-sustainability-rounds-pathway-series-the-sustainability-scorecard-for-members-and-suppliers>
3. “Choosing Sustainable made easier with HealthPRO Sustainability Scorecard”
<https://www.healthprocanada.com/article/healthpros-sustainability-scorecard>
4. “Procuring with Purpose: Working to bolster sustainability in the healthcare supply chain”
<https://www.healthprocanada.com/article/procuring-with-purpose-working-to-bolster-sustainability--in-the-healthcare-supply-chain>
5. “Ending forced labour in Canadian supply chains”
<https://www.healthprocanada.com/article/ending-forced-labour-in-canadian-supply-chains>

Attestation

This document has been reviewed and approved by HealthPRO Canada's Board of Directors in its entirety:

- Marc Toppings
- Board Chair
- May 29, 2024

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 'HealthPRO Canada.'