



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

FINANCIAL YEAR ENDED MARCH 31, 2024

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I. Introduction

This Report is produced by Mackenzie Health Hospital Corporation (“the Hospital”, “our” or “we”) for the financial year ending March 31, 2024 (the “Reporting Period”), and sets out the steps taken to prevent and reduce the risk that forced labour or child labour used at any step in the provision of health services by Mackenzie Health, including the importation of goods to support service provision. This report constitutes the first report prepared by Mackenzie Health pursuant to Canada’s new Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

II. Steps to Prevent and Reduce Risks

In general terms, we took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in our supply chains and activities:

- Conducted a preliminary initial internal assessment of the risks of forced labour and/or child labour in our supply chains;
- Collected attestations from select purchasing partners. These attestations confirm the partners' commitment to preventing forced and child labor within their supply chains and activities. The attestations also outline the partners' processes for preventing such practices;
- Maintained internal controls to ensure that all workers are recruited voluntarily;
- Developed and implemented training and awareness materials on forced labour and/or child labour, and;
- In compliance with our policies, we continue conducting due diligence of our potential suppliers before entering into our contracts.

Details of the above actions are set out in this report.

III. Act Requirements

(A) Structure, Activities, and Supply Chains

Located in Ontario, with locations in Richmond Hill and Vaughan, Mackenzie Health is a Not-For-Profit Corporation established in 1960. It operates as a public hospital network within the western York Region community. Our core function is to deliver patient-centered healthcare services primarily to the communities served. Our mandate is to provide high-quality, compassionate, and timely care.

Mackenzie Health employs over 5,500 individuals, all of whom who work in Canada. We are a member of the Ontario Hospital Association and do not control other entities. Hospital activities focus on providing a wide range of inpatient and outpatient healthcare services, including emergency care, surgery, diagnostics, and mental health support.

Mackenzie Health does not directly engage in the production, manufacture, development, extraction, or processing of goods. The primary function of the Hospital is the delivery of healthcare services. A variety of goods are necessary to support daily Hospital operations, including medical supplies and equipment, information technology equipment, pharmaceuticals, and facility infrastructure equipment and materials. At times some of these goods are sourced from suppliers with supply chains outside Canada

e.g. an assembly factory in Canada that sources raw materials outside Canada. Some of our suppliers are listed in Government of Canada, Canadian Importers Database, as of 2022.

(B) Policies and Due Diligence Processes

Below is a listing of Mackenzie Health policies applicable to forced and child labour.

a) Corporate Procurement Policy

This policy outlines the Hospital's commitment to responsible procurement practices, and to ensure that all goods, services, equipment, and construction are obtained through a fair, open, ethical, and competitive process, which maximizes value for public funds.

The policy adheres to legislative requirements such as the Broader Public Sector Accountability Act (BPSAA) which promotes best value and ethical procurement practices. Procurements of good and services are based on a transparent evaluation process that consider factors like price, vendor qualifications, and accessibility features. The policy also outlines limited exceptions for non-competitive procurement with proper justification.

b) Code of Conduct Policy

Mackenzie Health's Code of Conduct guides all members of our staff and healthcare community, to foster a respectful, inclusive, and safe environment for patients, staff, and the broader community.

The Code emphasizes core values like respect, integrity, accountability, collaboration, and excellence. It outlines expected behaviours including preventing discrimination and harassment (as defined by the Ontario Human Rights Code). It expects that all employees strive to maintain the highest standards of employee conduct and ethical behavior when working with internal and external stakeholders.

c) Subcontractor Management Procedures Policy

Mackenzie Health prioritizes ethical practices throughout its operations, and this commitment extends to its subcontractor network. This policy outlines a comprehensive framework for selecting and managing subcontractor relationships, ensuring the quality and integrity of the work performed at their facilities. Several elements of the policy contribute to preventing illegal and unethical practices. The selection process emphasizes qualifications, licensing, and adherence to legal regulations. Subcontractors undergo a thorough review, including references and industry standing, which can help identify companies with a history of ethical business practices. Additionally, mandatory orientation sessions cover topics like adherence to relevant regulations.

The policy adheres to the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics which emphasizes ethical conduct throughout the supply chain, including:

- Personal Integrity and Professionalism: This calls for honesty, transparency, and avoiding conflicts of interest among those involved in procurement.
- Accountability and Transparency: This ensures fair and competitive tendering processes that deliver best value for public funds.
- Compliance and Continuous Improvement: This requires adherence to all applicable laws and a commitment to ongoing improvement in ethical sourcing practices.

While specific regulations around forced or child labour might not be explicitly mentioned, a focus on legal compliance lays the groundwork for ethical sourcing.

d) Whistleblowing Policy

Mackenzie Health promotes a culture of ethical conduct and encourages all staff, physicians, volunteers and even business partners to report any concerns related to the organization's activities, its vendors, or potential violations like unethical or illegal practices. A confidential reporting system allows whistleblowers to submit concerns anonymously, with investigations undertaken to ensure a safe and ethical work environment.

Mackenzie Health prioritizes ethical labor practices throughout its operations. Internally, robust Human Resources policies and practices ensure compliance with all regulations and laws related to slavery, forced labor, and child labor. Externally, the organization relies on its purchasing partners, e.g. shared service organizations, to maintain strong ethical practices and a commitment to social responsibility when coordinating procurement activities on behalf of Mackenzie Health. These partners utilize established processes to mitigate forced and child labor risks within their own supply chains. Details on the mitigation strategies in the following section.

(C) Forced Labour and Child Labour Risks

Mackenzie Health works closely with purchasing partners to ensure their processes are compliant and there is an efficient prevention of risk. All our major purchasing partners have provided an attestation outlining their commitment to social responsibility and established processes to mitigate forced labour and child labour risks in their supply chains. These processes include modifying standard contract language and competitive procurement templates (e.g., RFPs) to ensure their suppliers adhere to anti-slavery and anti-child labour practices. Additionally, several vendors have established dedicated ESG teams responsible for program development, further demonstrating their ongoing commitment to sustainability.

Given Mackenzie Health's primary function of delivering healthcare, our labor practices are central to our operations. We prioritize ethical labor practices and adhere to all local legislation and laws related to slavery, forced labor, and child labor through our established Human Resources policies. This ensures there is no risk of forced or child labor within our workforce. While internal practices eliminate risk within our workforce, we acknowledge the potential challenges associated with ethical sourcing, particularly for electronics, a product identified by the Global Slavery Index as having a higher risk of forced labor in its supply chain. Mackenzie Health is committed to working with our electronics purchasing partners to ensure that their supply chains are free of forced labour.

While none of our primary vendors have identified any current instances of forced labour or child labour within their supply chains, all have committed to informing Mackenzie Health should such issues arise.

(D) Remediation Measures

In the last financial year, we did not identify any incidents of forced labour or child labour in our supply chain or activities. Should we encounter an incident in the future, we are committed to taking appropriate remedial measures.

(E) Training

The Mackenzie Health Executive Leadership Team has received training on forced labour and child labour. We are developing and rolling out similar training to internal stakeholders involved in purchasing so they have the knowledge to make ethical and compliant decisions. All new employees are assigned a mandatory onboarding training package which includes training on our Code of Ethics. Annually, all employees must certify their abidance by our Code of Ethics.

Several of our major partners, have outlined a commitment to developing internal policies and training for those in sourcing and supply chain roles. These initiatives demonstrate their commitment to preventing forced labour and child labour within their supply chains.

(F) Assessing Effectiveness

Mackenzie Health has been working collaboratively with our partners over the last financial year aimed at reducing the risk of forced labour and child labour in our activities and supply chains. We have not yet taken any measure to assess the efficacy of these measures.

IV. 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 the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Mackenzie Health Hospital Corporation.

I have the authority to bind Mackenzie Health Hospital Corporation.



Fay Lim-Lambie
Chair, Board of Directors