

SUBJECT:	Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act ("Act")
PREPARED BY:	Dale Thomson, SVP Strategic Sourcing
DATE:	May 23, 2024
PURPOSE:	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Approval

SITUATION / ISSUE

The Government of Canada introduced Bill S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act ("the Act"), on May 3, 2023, and the bill received Royal Assent on May 11, 2023. The Act came into force on January 1, 2024, and serves to implement Canada's international commitment to contribute to the fight against forced labour and child labour through reporting obligations on certain government institutions and other entities. The annual report will contain measures taken by these institutions and entities to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains.

BACKGROUND

MMC reviewed the details of the Act and concluded that both MMC and Hospital Logistics Inc. ("HLI") would meet the definition of Entity and would need to comply with the requirements of the Act.

Every entity to which the Act applies must submit an annual report to the Minister of Public Safety by May 31 of each year (beginning in 2024). 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 them or in their supply chains.

All reports will be made available to the public in two ways:

- In a prominent location on the reporting entity or government institution's website
- In an electronic registry on Public Safety Canada's website

MMC will submit a joint report for MMC and HLI.

The report (Appendix A) must be approved by the governing body, in this case the MMC Board of Directors.

MOTION AND APPROVAL

The Quality Performance Committee is recommending that a Motion be brought forward to the Mohawk Medbuy Board of Directors approving the March 31, 2024, year-end report related to Bill S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act.

May 23, 2024 – Mohawk Medbuy Board of Directors Meeting

Upon Motion made and seconded, it was RESOLVED that the Mohawk Medbuy Board of Directors APPROVE the March 31, 2024, year-end report related to Bill S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act.



Appendix A:

Report: Bill S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act

Reporting Period: April 1, 2023, to March 31, 2024

Reporting Entities: Mohawk Medbuy Corporation and Hospital Logistics Inc.

Bill S-211 the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“BILLS-211”) imposes reporting obligations on:

- government institutions producing, purchasing, or distributing goods in Canada or elsewhere; and
- entities producing goods in Canada or elsewhere or in importing goods produced outside Canada.

Every entity must, on or before May 31 of each year, report to the Minister of Public Safety and Emergency Preparedness on the steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

Mohawk Medbuy Corporation and Hospital Logistics Inc. each meet the definition of an entity under Bill S-211.

During the financial year beginning April 1, 2023, and ending on March 31, 2024, Mohawk Medbuy Corporation did the following to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity:

- Mohawk Medbuy Corporation modified standard contract language to include the following in Representation and Warranties:
 - 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 (as such terms are defined in Canada’s Fighting against Forced Labour and Child Labour in Supply Chain’s Act).
 - Mohawk Medbuy Corporation modified competitive procurement templates (e.g. RFP), to include the following language that suppliers/vendors bidding for Hospital business must attest to:
 - 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 (as such terms are defined in Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act).
 - Mohawk Medbuy Corporation developed training to be implemented during the next financial year with all employees that will educate them regarding Bill S-211 and ensure they understand that the standard contract and competitive procurement template language described above should not be removed.
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Supplementary Information:

Mohawk Medbuy Corporation is a national, not-for-profit, shared services organization that supports hundreds of health care providers across Canada, as well as child welfare agencies and other public sector organizations. Mohawk Medbuy Corporation provides value-driven contracting and procurement solutions for medical/surgical supplies, pharmaceutical products, local sourcing, capital (equipment, Furniture Fixtures & Equipment, and redevelopment) and nutrition solutions. Other services include data analytics, in-hospital support, warehousing/logistics, technology, procure-to-pay, and accounts payable. The warehousing services are delivered through a wholly owned for profit Hospital Logistics Inc. that services hospitals in southern Ontario.

Mohawk Medbuy Corporation sources over 300,000 items utilized by healthcare providers and other public sector organizations. Most suppliers of these products are large multinational corporations with Canadian presence but may produce or source globally.

Mohawk Medbuy Corporation has not:

- created new policies or due diligence processes in relation to forced labour and child labour beyond obeying all applicable laws.
- specifically identified any parts of its business and supply chains that carry a risk of forced labour or child labour being used.
- developed an assessment of its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

MMC has not been made aware of any instances where forced labour or child labour exists in current supply chains therefore has not taken:

- any measures to remediate any forced labour or child labour.
- any measures to remediate the loss of income to the most vulnerable families that results from forced labour or child labour.
- Steps to develop any assessment of its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

Dated this 31st day of May, 2024

(Signature)

Tom Warner

(Name)

CFO, CIO, VP Business Analytics

(Title)

(Signature)

Tony DiEmanuele

(Name)

President and CEO

(Title)