



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

2024 Report

Nova Scotia Health Authority statement on Fighting Against Forced Labour and Child Labour in Supply Chains

This statement, made jointly with the Provincial Drug Distribution Program ("PDDP"), an independent corporation under the control of the Nova Scotia Health Authority ("NSHA"), is made pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9 (the "Act").

This report is for the fiscal year beginning April 1, 2023 and ending March 31, 2024 (the "Reporting Period").

Steps Taken to Prevent and Reduce the Risks of Forced Labour and Child Labour

In general terms, NSHA took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in its business and supply chains.

- Consulted with representatives from Legal, Nova Scotia Government Procurement, and NSHA Supply Chain Operations to review the impact of the Act on NSHA and identify governance structures, policies, and procedures relevant to risks of forced labour or child labour.
- Consulted with HealthPRO (<https://www.healthprocanada.com/>), a Group Purchasing Organization (GPO), through which the majority of medical supply, drug, food and equipment contracts are established for NSHA, to understand how environmental, social and governance (ESG) criteria are included in procurement methods and to assess ESG education and training opportunities for staff.
- Became an active member of CASCADES (<https://cascadescanada.ca/>), an organization that brings together academic, public sector, and industry partners with the vision to enable a pan-Canadian health system that supports a healthy planet, is caring and equitable, and serves communities so that they thrive. NSHA staff will have access to training and learning opportunities through this organization that will contribute positively to reducing the risk of forced labour or child labour in supply chains.
- Reviewed contract clauses as they relate to identifying, addressing, and prohibiting the use of forced labour and child labour within our business and supply chains.

Structure, activities, and supply chains

NSHA is a publicly funded corporation headquartered in Halifax, Nova Scotia, established under the *Health Authorities Act, SNS 2014, c. 32*, as amended.

NSHA has 27,000+ employees, all located in Nova Scotia, Canada. In the fiscal year ending March 31, 2024, the Nova Scotia Health Authority had revenue of \$3.78 billion and assets valued at \$2.23 billion.

All hospitals in Nova Scotia, except for the Isaac Walton Killam (IWK) children's hospital, are operated by NSHA. The forty-two (42) hospitals and over one-hundred community-based clinics that NSHA operates provide acute and primary healthcare to all Nova Scotians. Departments and programs are organized both provincially and by zone led by Vice Presidents who report to the President and CEO, who reports to an appointed board administrator. The NSHA supply chain is responsible to provide everything required to operate services including medical supplies, instruments, clinical and facility related equipment, food, and drugs. In the reporting period the \$1 billion of NSHA expenses break down as listed in Table 1: Reporting period expense by category.

Table 1: Reporting period expense by Category

Category	Percentage of Total
Professional Services	46
Building Infrastructure Goods and Services	14
Surgical Equipment, Supplies and Services	9
Medical Equipment, Supplies and Services	8
IT and Telecommunication Hardware, Software and Services	6
Lab Equipment, Supplies and Goods	5
General Goods and Services	5
Food and Beverages	2
Fuels and Lubricants	2
Unclassified low value local transactions	<1
Diagnostic Equipment, Supplies and Services	<1
Dialysis Equipment, Supplies and Services	<1
Fleet Equipment, Parts and Services	<1
Pharmacy Equipment, Supplies and Services	<1
Medical Device Reprocessing	<1
Highway Infrastructure Goods and Services	<1
Total	100

The procurement activities of NSHA are conducted in collaboration with the Nova Scotia Government Procurement Service through a Shared Services model. NSHA is a member of HealthPRO, a national Group Purchasing Organization (GPO). Supply and equipment contracts are formed under the policies and procedures of these two organizations. The purchases made with thousands of vendors around the world arrive in Nova Scotia through either 3rd party distributors or directly from the manufacturer to be managed within a network of NSHA regional distribution centers (2), local warehouses (13) and hundreds of supply rooms at the hospital level.

PDDP is a publicly funded non-profit independent corporation headquartered in Halifax, Nova Scotia established on May 3, 2005, by agreement between Nova Scotia Government Department of Health and Wellness and NSHA. PDDP, governed by an appointed board, is controlled by NSHA, and as such is subject to and complies with the policies and procedures detailed in this report that are applicable to NSHA.

PDDP has 17 employees, all located in Nova Scotia, Canada. In the fiscal year ending March 31, 2024, PDDP had revenue of \$197.8 million and assets valued at \$31.7 million.

The drugs purchased by PDDP are through several different procurement methods, including HealthPRO (GPO) and the Pan-Canadian Pharmaceuticals Alliance.

Drug inventory is maintained in a central distribution center and shipped across the province to the 166 members of the program that include 23 hospital pharmacies; 78 long term care facilities, 65 other sites (e.g Public Health, DHW programs, community services., corrections facilities, EHS).

Policies and Due diligence Processes

NSHA is committed to ensuring our supply chain activities are compliant with policies, provincial and federal legislation, trade agreements, and ethical business practices. NSHA's

procurement policy can be found at the following website:

https://policy.nshealth.ca/Site_Published/nsha/document_render.aspx?documentRender.IdType=6&documentRender.GenericField=&documentRender.Id=73585

NSHA receives procurement services from the Nova Scotia Government through a Shared Service partnership. Nova Scotia Government has policies and procedures for sustainable procurement that apply to all NSHA procurement activities and can be found at the following website: <https://beta.novascotia.ca/documents/sustainable-procurement>. The supplier sustainability assessment specifically asks questions that help assess risk of forced labour and child labour in a vendor's supply chain.

The majority of NSHA's medical supply, equipment contracts, food, and PDDP drug contracts are formed through HealthPRO. HealthPRO is a leader in promoting and implementing ethical principles and practices into procurement methods. HealthPRO's code of ethics can be found here <https://www.healthprocanada.com/ethics-and-code-of-conduct> and includes the following statement: *"Members will be cognizant of the social rights extended to all people, including the conventions of the International Labour Organization with respect to labour standards"*.

HealthPRO has implemented ESG scoring into the contracting process, and provides this information for members to incorporate into decision making. HealthPRO's approach to sustainability includes forced labour, more information can be found on the following website: <https://www.healthprocanada.com/sustainability>

Forced labour and child labour risks

NSHA and PDDP are committed to identifying the activities and parts of our supply chains that carry a risk of forced labor or child labour. This work has not yet been completed, and will begin in the next reporting period starting with country / geography risk mapping. NSHA and PDDP will coordinate these efforts with NS Government Procurement and HealthPRO, who conduct the majority of the procurement on our behalf.

Remediation measures

NSHA and PDDP are committed to taking actions to remediate adverse impacts caused by forced or child labour in the activities and or supply chains that support our organization. No risks or complaints of adverse impacts have been identified or received during the Reporting Period.

Remediation of loss of income

As NSHA and PDDP have not identified any forced labour or child labour in our business or supply chains, no measures have been taken to remediate any forced labour or child labour, or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

Training

NSHA and PDDP do not currently provide training to employees and suppliers on identifying and mitigating forced or child labour in supply chains. NSHA and PDDP will collaborate with our procurement partners, Nova Scotia Government Procurement and HealthPRO, to determine what training opportunities there are for staff and suppliers, identify gaps and establish an action plan in the next reporting period.

Every new employee does participate in onboarding education which includes Respectful Workplace and Code of Conduct. While these policies do not specifically address issues of forced labour or child labour, they affirm our commitment to ensuring that everyone working on behalf of NSHA and PDDP adheres to the highest ethical standards.

NSHA is committed to ensuring that all new employees receive education on the NSHA whistleblower policy. This policy provides NSHA and PDDP Team Members with a process to facilitate the disclosure and investigation of significant and serious matters that they believe may be unlawful, and dangerous to the public or injurious to public interest, and to provide protection for those who disclose acts of alleged wrongdoing in good faith (also known as whistleblower protection).

Whistleblower policy link:

https://policy.nshealth.ca/Site_Published/nsha/policy_details.aspx?policyDetails.QueryId.Id=75473

Assessing Effectiveness

NSHA and PDDP are committed to assessing effectiveness at mitigating and remediating forced and child labour in our supply chains. In the next reporting period a joint committee will be established that includes PDDP, Nova Scotia Government Procurement, HealthPRO, Human Resources, and legal. This committee will be tasked to make recommendations for how NSHA and PDDP should be assessing effectiveness at mitigating and remediating forced and child labour in supply chains.

Attestation

This Report was approved pursuant to subparagraph 11(4)(b)(i) of the Act by the boards of directors of NSHA and PDDP.

In accordance with the requirements of the Act, and in particular section 11 thereof we, the undersigned, attest that we have reviewed the information contained in this joint report for the entity specified below. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in this joint report is true, accurate, and complete in all material respects, for the purposes of the Act, for the reporting year specified above.

I make the above attestation in my capacity as a director and Chair of the Board of Directors of the Nova Scotia Health Authority (the "**NSHA Board**") for and on behalf of the NSHA Board.

I have the authority to bind NSHA.

NOVA SCOTIA HEALTH AUTHORITY

Per: Janet Davidson
Name: Janet Davidson
Title: Administrator, NSHA
Date: May 31, 2024

I make the above attestation in my capacity as a director and Chair of the Board of Directors of the Provincial Drug Distribution Program (the "**PDDP Board**") for and on behalf of the PDDP Board.

I have the authority to bind PDDP.

PROVINCIAL DRUG DISTRIBUTION PROGRAM

Per: Chris Dolan
Name: Christopher Dolan
Title: Chair of the Board
Date: May 31, 2024



We are committed to move forward on our journey to protect human rights and reduce the risk that forced labour or child labour are used in NSHA's business and supply chain.

Employees, suppliers, and people in the community can make requests, report concerns, or disclose misconduct or potential wrongdoing through a variety of channels. These include our Legal Department, Human Resources, Province of Nova Scotia Ombudsman Office,

NSHA employees can use a confidential hotline or email:

1-833-607-3496 or
NSHADisclosureofwrongdoing@lifeworks.com

We welcome comments, questions, and feedback on this report.

Nova Scotia Health Authority
90 Lovett Lake Ct, suite 201, Halifax,
NS B3S 0H6

Email: ceo@nshealth.ca