

Annual Report on Forced Labour and Child Labour in Supply Chains

Year Ended March 31, 2024

This Annual Report on Forced Labour and Child Labour in Supply Chains (the “Report”) addresses the period from April 1, 2023 to March 31, 2024 and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)(the “Act”)



1. Introduction

Forced labour and child labour, each as defined in the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”), are crimes and serious violations of human rights. Scarborough Health Network (“SHN”) recognizes the important role to ensuring operations and the supply chains support and adhere to the highest ethical standards, including the prevention and identification of forced labour and/or child labour in the supply chain. This Report sets out the steps taken for the year ended March 31, 2024 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or of goods imported into Canada by SHN.

2. Our Business

At Scarborough Health Network, the patient experience comes first. With three hospital sites (Birchmount, General, and Centenary) and five satellite sites, SHN provides a broad spectrum of health services to one of the most diverse communities in Canada.

Created through a merger of The Scarborough Hospital’s Birchmount and General sites and Rouge Valley Health System’s Centenary site in December 2016, SHN is committed to delivering the highest quality patient and family-centred care, with a focus on enhancing access to services for the Scarborough community.

Scarborough is defined by its diversity of cultures, social and economic contexts, and care needs. Delivering high-quality, safe care is founded in understanding our communities’ needs, and reflecting them in how we care for our population. SHN’s community, team and typical day is described in the graphic below.

WE ARE SCARBOROUGH HEALTH NETWORK

Across our three hospitals—
Birchmount, Centenary,
and General—and several
community-based satellite sites,
we serve more than 850,000
people from the Scarborough
community and beyond.

OUR DEDICATED TEAM



A TYPICAL DAY AT SHN



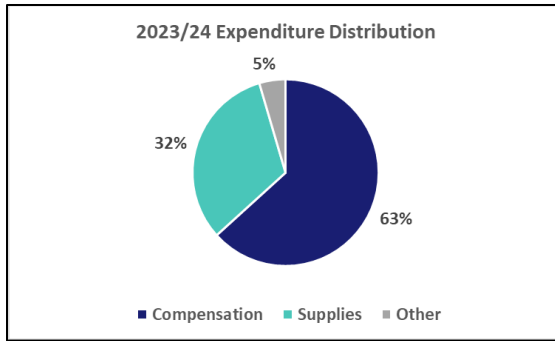
OUR COMMUNITY AT A GLANCE



Our population has high rates of chronic disease, as well as many people without a primary care doctor.

Patient services include a full-service Emergency department at each site, advanced maternal and neonatal care in state-of-the-art birthing centres, and specialized paediatric care. In addition, SHN is home to a number of regional programs serving the central east Greater Toronto Area and beyond, including nephrology, cardiac care, vascular surgery, and vision care, and is recognized as a centre of excellence in orthopaedic surgery, cancer care, and mental health.

For the year ended March 31, 2024, SHN reported revenue of \$968 million, and a net surplus of \$3 million. The majority of SHN's revenue is received directly from the Ministry of Health and Ontario Health. Expenditures incurred by SHN relate to delivery of healthcare services and are comprised mainly of compensation, supplies and other costs such as depreciation and interest.



3. Our Policies

Through organizational and governance policies, SHN communicates our values and expectations, setting a high bar for the organization, its suppliers and community partners. SHN is committed to consistently evolving and improving approaches and will be updating policies to enforce non-tolerance of forced labour and/or child labour in any part of SHN’s operations or supply chain.

SHN makes efforts to ensure activities are not having a negative impact on human rights. Relevant policies and actions are discussed in further detail below:

Procurement Code of Ethics

SHN is committed to conducting business in a lawful and ethical manner. As an Ontario Broader Public Sector organization SHN is required to comply with:

- Broader Public Sector Procurement Directive (BPS Directive)
- Applicable trade agreements such as, but not limited to, the Canadian Free Trade Agreement (CFTA), Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union.

The Supply Chain Code of Ethics incorporated into the BPS Directive is the foundation of SHN’s procurement policies and sets out guiding principles on professional conduct specifically addressing:

- I. **Personal Integrity and Professionalism** expecting involved individuals to act, and be seen to act, with integrity and professionalism.
- II. **Accountability and Transparency** ensuring Supply Chain Activities are open, fair and transparent.
- III. **Compliance and Continuous Improvement** requiring compliance with both the Code of Ethics and the laws of Canada and Ontario.

Whistleblower Reporting

Being good stewards of the resources entrusted, and modeling ethical behavior while meeting job requirements are a few of the ways that all

involved put corporate values into practice every day. SHN relies on its team of Staff, Physicians and Volunteers to ensure actions taken are consistent with values, code of conduct and policies.

For potential situations where this does not occur, SHN, in partnership with a third-party service provider, has an established whistleblowing process, enabling any employee to report serious, extraordinary workplace issues anonymously and confidentially. This reporting tool enables any employee to address concerns surrounding potential forced labour and/or child labour issues in SHN's business or supply chain.

Due Diligence

SHN expects third party partners to adhere to business principles and values similar to its own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, SHN takes steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

4. Assessing Our Risk

SHN's sourcing and procurement supply chain activities, with the exception of food services, are administered and managed by a national, not-for-profit, shared services organization providing contracting and procurement solutions. SHN's procurement partner detailed in their report out to members the following immediate actions taken on their behalf to ensure compliance with Bill S-211:

- Modifying standard contract language to include representation and warranties that goods/services covered by the agreement did not involve the use of forced labour and/or child labour.
- Updating competitive procurement templates to include language requiring potential vendors to attest that proposed goods/services do not involve the use of forced labour and/or child labour.
- Confirming that the partner has not been made aware of any instances where forced labour and/or child labour exists in the current supply chains.
- Committing to iterative improvements to action undertaken including the development of further internal policy and training specific to sourcing and supply chains.

SHN's food service provider has published its Supplier Code of Conduct. This code is informed by the International Bill of Human Rights and the principles covering the fundamental rights set out in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Further this Code

contains provisions to ensure voluntary employment while avoiding the use of child labour by its suppliers.

SHN has assessed the risk of use of forced labour and/or child labour in its supply chains activity as very low.

5. Our Commitments

Steps to Prevent and Reduce Risks of Forced and Child Labour

The requirement to identify and mitigate any risk associated with forced labour and/or child labour is new to the Hospital sector, and to SHN. As a result, existing policies and processes may require revision to ensure that the risk of forced labour and/or child labour envisioned in the legislation is addressed appropriately.

While SHN feels activities are very low risk, SHN will take steps to enhance its procurement policy to clearly address the possibility of forced labour and/or child labour occurring at any point in our supply.

Remediation Measures

At time of writing SHN has not identified any instances of use of child labour and/or forced labour in its supply chains. As such, SHN has not identified the need to eliminate those sources from its supply chains nor supply lost income to vulnerable families impacted by the elimination of child labour and/or forced labour in its supply chains.

6. Our Progress and Effectiveness

SHN is at the beginning of its journey assessing its supply chains at a macro level. Over fiscal 2025 SHN commits to:

- Reviewing and revising its procurement related policies to ensure alignment with its sourcing and procurement partners to address the elimination of forced labour and/or child labour in its supply chains. In addition to addressing how procurement is conducted, the revised policy will include the ethical aspect of who procurement is conducted with.
- Prepare/Source education and training to SHN employees involved in the use of its supply chains.

7. Approval & Signature

This Report was endorsed by SHN's Finance, Audit, Infrastructure and Technology (FAIT) Committee on May 29, 2024 and will be presented to the Board on June 13, 2024 as part of the FAIT update. This report will be submitted to the Minister of Public Safety and Emergency Preparedness in Canada and also be made available on SHN's website on the Finance page ([Finance – Scarborough Health Network \(shn.ca\)](#))

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for Scarborough Health Network. Based on my knowledge, and having exercised reasonable due diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I/We have the authority to bind **Scarborough Health Network**.


David Graham (Jun 18, 2024 11:28 EDT)

David Graham
President and Chief Executive Officer



Matt Ainley
Board Chair

Dated: May 29, 2024