

Report to Comply with Bill S-211 An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the “Act”)

Entity: YMCA of Southwestern Ontario

Business Number: 107641649 RR 0002

Reporting period: January 1, 2023 to December 31, 2023

A. Nature of Entity:

YMCA of Southwestern Ontario (“YSWO”) is a registered charity, incorporated under the laws of the Province of Ontario, Canada.

YSWO meets the definition of ‘entity’ under the Act because:

- i. It has over \$20 million in assets at December 31, 2023.
- ii. It has generated over \$40 million in revenue over the January 1 to December 31, 2023 period.
- iii. It employs an average of in excess of 250 employees over the January 1 to December 31, 2023 period.

B. Reporting Entity under the Act:

YSWO has reporting obligations in accordance with the Act because it occasionally purchases goods from outside Canada that do not involve a third party importer, such that YSWO may be assessed duties on the purchases of these goods under the Customs Act. We understand that to mean that YSWO is considered to be an importer of goods produced outside Canada for the purposes of the Act.

C. Structure of YMCA of Southwestern Ontario:

YSWO is a registered charity that operates under the governance of a volunteer Board of Directors. YSWO’s Chief Executive Officer reports to the Board of Directors. All other YSWO employees report to the Chief Executive Officer through various layers of management and supervisors. YSWO employed on average 2,200 full-time and part-time employees in 2023. All YSWO locations and employees are in Canada.

D. Activities of YMCA of Southwestern Ontario:

YSWO is a charity dedicated to strengthening the foundations of communities in Southwestern Ontario, Canada. We do this by nurturing the potential of children, teens and young adults; promoting healthy living and fostering social responsibility. We serve people of all ages, backgrounds and abilities through all stages of life. Through YMCA financial assistance programs, YSWO is accessible to all. Our core offerings include: Child Care, Health, Fitness & Aquatics, Camp, Education Services, Newcomer Settlement & Community Services, and Youth Engagement & Employment Services. YSWO does not produce goods. YSWO does not provide services or export goods outside of Canada.

E. Quantum and Significance of “Imported Goods”:

YSWO’s total expenditures during 2023 were CAD\$78,697,146. Of that, the largest type of expenditure was on Salaries and Benefits, totaling \$52,867,996, representing 67% of expenses. In 2023, YSWO spent \$27,270 on goods purchased from outside Canada that did not involve a third party Canadian importer, upon which YSWO may have been assessed duties. This represents 0.03% of YSWO’s total 2023 expenditures. A breakdown of the country of origin of the vendors from which these purchases were made is as follows:

Vendor Location	2023 Purchases in CAD\$	Proportion
USA	24,482	90%
United Kingdom	1,963	7%
China	584	2%
Australia	242	1%
Total	27,270	

The nature and purpose of goods imported can be characterized as follows:

Nature of Imported Goods	2023 Purchases in CAD\$	Proportion
Equipment used in Health & Fitness programs	21,115	77.4%
Promotional supplies	3,373	12.4%
Children's Educational supplies	2,782	10.2%
	27,270	

F. Information on YSWO Supply Chains:

YSWO does not produce goods. YSWO is the end user of any good that YSWO purchases, including imported goods.

G. Forced Labour and Child Labour Risks:

Imported goods represent 0.03% of YSWO’s total annual expenditures. Ninety-eight percent (98%) of imported goods is purchased from the USA, United Kingdom and Australia, which are developed countries with high-functioning democracies, high standards of living, and well-developed legislation and regulatory frameworks surrounding forced labour and child labour. Two percent (2%) of imported goods is purchased from China; less is known about China’s forced labour and child labour legislation and regulatory framework. Goods imported from China represent 0.0007% of YSWO’s total 2023 expenditures. The risk that YSWO spending activity is attached to forced labour and child labour is therefore deemed to be very low.

H. YSWO policies and its due diligence processes in relation to forced labour and child labour:

Because we do not generally purchase goods from outside Canada and the risk of forced labour and child labour being involved in our purchases is extremely low, YSWO does not currently have formal policies and due diligence processes in place in relation to forced labour and child labour in our purchasing procedures. Our organization’s values are Caring, Respect, Inclusiveness, Honesty

and Responsibility, and our employees are encouraged to embody these values as they carry out their employment responsibilities. These values mean that some consideration of the risk of forced labour and child labour is embedded in our purchasing approach. YSWO's procurement activities are decentralized across our many different operating areas. Generally, YSWO's approach to procurement and purchasing is to preferentially select Ontarian and Canadian suppliers wherever possible. While value for money is an important purchasing consideration, YSWO chooses to deal with vendors with established reputations that follow applicable legislation and ethical practices. This means that the vast majority of the suppliers YSWO purchases from are from Canada or, if no Canadian alternative is possible, are from developed countries with sophisticated labour legislation and regulatory frameworks. The new requirement to report under Bill S-211 has made us aware that we can do better to raise awareness among our employees of the risks of forced labour and child labour being involved in goods that we purchase and to always opt to purchase goods that carry minimal or no risk. As outlined in a section below, our objective is to develop training for our employees who make purchases on behalf of YSWO to raise their awareness and encourage purchases that carry no risk of forced labour or child labour. As we annually compile and review our reporting on international purchases of goods (under Bill S-211 and to other government authorities), we will assess the effectiveness and impact of this training.

I. Any measures taken to remediate any forced labour or child labour:

Not applicable. YSWO has not detected any forced labour or child labour in its supply chains.

J. Any measures taken 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 its activities and supply chains:

Not applicable. YSWO has not detected any forced labour or child labour in its supply chains.

K. Training provided to employees on forced labour and child labour:

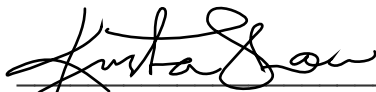
No formal training program currently exists for YSWO employees on forced labour or child labour. The new reporting requirement under Bill S-211 has made us aware of this gap. We believe that awareness-raising training for all employees that are responsible for making purchases on behalf of YSWO should be developed and rolled out. This training will encourage employees to consider the risk of forced labour and child labour being part of the supply chain involved in the goods being purchased and to make purchasing decisions that favour goods that carry less risk. This training is currently under development and the length and format of the training is not clear at this time.

L. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains:

YSWO does not currently have a formal mechanism to assess our effectiveness in ensuring that forced labour and child labour are not being used in our business and supply chains. Although importing goods is an extremely minor portion of our overall expenditures, we intend to offer training to employees to raise their awareness of the risks of forced labour and child labour in the goods that are purchased. We will assess effectiveness by reviewing how many employees receive training and by tracking the nature and source of goods purchased from outside Canada, annually.

ATTESTATION:

In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the entity listed above. Based on our knowledge, and having exercised reasonable diligence, we 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.



Signature
Kristina Shaw
Chair, Board of Directors
May 31, 2024



Signature
Andrew Lockie
CEO
May 31, 2024

We have the authority to bind YMCA of Southwestern Ontario.

This report was approved by the YMCA of Southwestern Ontario Board of Directors on May 31, 2024.