



Forced Labour in Canadian Supply Chains

May 15, 2024

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Introduction

This report is Humber River Health’s response to comply with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“the Act”) for the financial year ended March 31, 2024. The reporting entity covered by this statement is Humber River Health, business number 872785191.

For the purposes of the Act, Humber River Health (“HRH”) meets the entity definition by having a business in Canada, does business in Canada and meets the threshold for revenue, assets, and employees. HRH also meets the definition of reporting entity as it sells goods in Canada and imports into Canada goods produced outside of Canada. HRH is incorporated provincially, under the Corporations Act (Ontario), is a charitable organization registered under the Income Tax Act (Canada) and is obligated to submit a report to the Minister of Public Safety and provide a public report in response to the Supply Chains Act by May 31, 2024.

HRH is committed to providing an excellent workplace environment where our core values of compassion, professionalism and respect are embraced in our culture and consistently guide our actions. Forced labour and child labour is contrary to our vision, mission, and values, HRH does not endorse any human trafficking and modern slavery within our organization especially of our vendors and our contractors or sub-contractors with whom we conduct business with.

HRH is committed to continuous improvement in the areas of identification and remediation of forced and child labour in its operations and supply chain and committed to respecting all human rights in accordance with applicable law.

1. Structure, Activities and Supply Chain

HRH is one of Canada’s largest acute care hospitals and is North America’s first fully digital hospital, operating 729 acute inpatient beds and bassinets with 4,300 staff and more than 500 volunteers, who leverage technology and innovation to serve a diverse catchment area of more than 850,000 people in North Western Toronto.

HRH is the merged facility of three previous hospitals: Humber Memorial Hospital, York-Finch General Hospital and Northwestern General Hospital, located in Toronto, Ontario, Canada. These three hospitals were part of the Humber River Regional Hospital network, later to be known as Humber River Health. Over time, HRH has expanded services from those provided at the hospital to include the Schulich Family Medicine Teaching Unit, a Research Institute, as well as the Finch and Church Reactivation Care Campuses with 483 beds.

HRH continues to grow partnerships, programs and collaborations with healthcare service providers in the Jane and Finch community, including with the North Western Toronto Ontario Health Team to establish Community Services to convert six residential homes in the Jane and Finch area into supporting housing units.

HRH is affiliated with the University of Toronto and Queen’s University and is a member of the Toronto Academic Health Science Network (TAHSN), a network of academic health organizations providing leading-edge research, teaching and clinical care.

The Hospital’s approach to healthcare has led to becoming a national and provincial leader, with a history of many firsts. HRH is recognized globally for leveraging technology to deliver high quality care. HRH uses a custom combination of technology and clinical expertise to rebuild elements of care, making technology work for staff and physicians, giving them more time to spend with patients. HRH is proud to be an incubator for innovation.

HRH prioritizes quality, safety and the overall experience of patients and their families, achieved Exemplary Standing from Accreditation Canada in 2018 and 2023, honoured with the Excellence in Patient Safety Award by The Canadian College of

Health Leaders, recognizing the Hospital's dedication to enhancing patient safety through leadership, innovation, and best practices. Furthermore, HRH was listed as one of Canada's Best Employers for Diversity in 2022 by both Forbes and Statistica and was named among Greater Toronto's Top 2023 and 2024 Employers by Mediacorp Canada Inc.

HRH is guided by our mission "Working together with our community to deliver innovative, safe and equitable healthcare" and is committed to advancing the empowerment of our people and patients, foster innovation, research, academics, deliver comprehensive quality care closer to home and embrace equity, diversity, and inclusion.

Structure and Activities

The North American Industry Classification System (NAICS) Canada 2022 Version 1.0 and The Global Industry Classification Standard (GICS), a global classification standard developed by Morgan Stanley Capital International (MSCI) in collaboration with S&P Dow Jones Indices, were used to classify the sectors within HRH's supply chain and related activities.

Sectors within HRH's supply chain include:

(NAICS): (62) Healthcare and social assistance, (622) Hospitals, (54) Professional, scientific, and technical services. (541) Professional, scientific, and technical services, (53) Real estate and rental and leasing and (532) Rental and leasing services and (44-45) Retail trade.

(GICS) Sector, Industry Group and sub-industries:

- (35) Healthcare, (3510) Healthcare equipment and services, (351010) Healthcare equipment and services, (351020) Healthcare providers and services, (351030) Healthcare technology (3520) Pharmaceuticals, biotechnology, and services (352010) Biotechnology. (352020) Pharmaceuticals. (352030) Life Sciences tools and services
- (60) Real Estate, (6010) Real estate and (601020) Real estate management and development
- (25) Consumer Discretionary, (2550) Retailing, (255040) Specialty Retail
- (30) Consumer Staples, (3010) Food & Staples Retailing, (30101010) Drug Retail, (30101030) Food Retail, (3020) Food, Beverage and Tobacco (302010) Beverages and (302020) Food Products.

HRH's supply chain is comprised of approximately 643 vendors spanning 34 countries that support its hospital and retail leasing operations.

Hospital Operations

HRH is a broader public sector organization subject to the Broader Public Sector Accountability Act and the Directives designed to improve accountability and transparency, including in the procurement of goods and services.

HRH's hospital operations supply chain encompasses various areas to ensure prompt delivery of all healthcare services. It starts with Procurement, where HRH purchases, consigns, or leases equipment, products, supplies, pharmaceuticals and/or services for each department and upon request to support patient care.

HRH has inventory management (W-stores) that ensure the availability of essential items while minimizing efficiency of labour, downtime, and waste.

HRH directly sells special nutritional goods to patients and medical devices are sold corporately within the hospital.

To support hospital operations, HRH contracts with group purchasing organizations used by hospitals and community-based healthcare facilities and directly procures and sources goods and services from international, national, and local manufacturers, distributors, and vendors with the use of customs clearing houses to facilitate the cross-border transactions.

Retail Operations

HRH leases retail space for its food court, pharmacies, and retail shops. These vendors sell over-the-counter goods directly to patients, visitors, and hospital staff.

HRH also has a unique partnership arrangement through the Reactivation Care Centers (RCC) with multiple hospitals where HRH supplies the product and core services to support the other partner hospitals in providing care to their patients.

Each area of the supply chain plays an important role in facilitating the flow of goods and services. These spaces are maximized for visibility and contribute to the overall needs of the consumers and success of each retail business. Market understanding and active leasing is essential for meeting our customer demands and needs.

These comprise all our healthcare supply chain activities, which are vital to the delivery of quality healthcare services economically and effectively.

2. Policies and Processes in Relation to Forced and Child Labour

HRH maintains a hospital-wide Purchasing Policy, Supply Chain Code of Ethics, and a hospital-wide Code of Conduct in which all persons are expected to observe in the workplace and all suppliers are expected to abide by. All employees involved in procurement or supply chain operations are expected to act in an ethical and professional manner and with integrity. Honesty and due diligence are an integral part of the supply chain activities whether internal or external. Furthermore, HRH has regular reviews of human resource related policies to ensure it remains in compliance with applicable workforce and labour legislation. Regarding its operations, HRH adheres to the provincial employment standards in Ontario such as the Employment Standards Act, Ontario Human Rights Code, Workplace Safety and Insurance Act and the Occupational Health and Safety Act.

Hospital-wide Purchasing Policy

HRH's Procurement department is responsible for the purchasing of all supplies, services and equipment required and acquired through Hospital funds. The Hospital-wide Purchasing Policy was developed to provide clear rules regarding the competitive bidding requirements for the acquisition of supplies, services and equipment and the authorized signing authority to commit the Hospital. The Policy applies to all contracts and purchases for the acquisition of supplies, services and equipment and all agreements including (but not limited to) pricing agreements, memorandums of understanding, letters of intent, service level agreements (SLAs) and other documents that commit the Hospital.

Our Procurement department conducts its contracting and procurement services based on the following five key principles of the Ontario Broader Public Sector Procurement directives: Accountability, Transparency, Value for Money, Quality Service Delivery and Process Standardization.

Effective, January 1, 2024, HRH was required, as part of its last financial reporting year, to adhere with the Building Ontario Business Initiative (BOBI) Act, requiring public sector entities to give Ontario businesses preferences when conducting procurement processes for goods and services under a specified threshold. BPS entities must use the following strategies wherever feasible:

- Procure goods and services from Ontario businesses of Ontario's trading partners,
- Apply weighted domestic criteria in procurement evaluations (e.g., vendors to demonstrate how they meet Ontario's environmental and labour standards), and
- For procurements with an estimated value of \$50 million or more, include an Industrial Regional Technology Benefit (IRTB) requirement for vendors. The IRTB requires vendors bidding on large procurements to detail how their proposals would provide local economic benefits for the province.

Supplier Code of Ethics

HRH expects procurement and supply chain professionals to sign a Supply Chain Code of Ethics which applies to all Procurement Policies and Procedures in relation to their procurement activities.

For this past financial year, HRH’s Policy and Procedure Management department reviewed and examined all pertinent policies as it relates to “the Act”. As part of our commitment to ensuring an ethical, professional, and accountable supply chain, for the upcoming financial year, HRH has identified a need to develop and implement a Supplier Code of Conduct and supporting Conflict of Interest policies. Additionally, HRH introduced updates to the Request for Proposal (RFP) template (effective April 2024), to include a section on Compliance with Applicable Laws (refer to “*Excerpt - HRH’s RFP template*”) and a added a section to Contract templates related to *Service Provider’s Representations and Warranties* (refer to “*Excerpt – HRH’s Service Provider contract template*”).

Currently, HRH’s Procurement & Logistics t Department is undertaking an internal assessment to identify if new policies, agreements or amendments to existing agreements will be required for compliance. This comprehensive assessment spans the following contract categories: equipment, services, consumables or extended warranties agreements, affiliation, memorandum of understanding (MOU) agreements, lease agreements and partnership agreements with other hospitals.

(Excerpt – HRH’s RFP Template)

RFP -

1.3 Compliance with Applicable Laws

This RFP is subject to the Canadian Free Trade Agreement signed on July 1, 2017 and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) signed September 21, 2017, which eliminates certain barriers to trade, investment, and labour mobility within Canada and facilitates the free movement of persons, goods, services and investments within Canada.

The successful Proponent shall be required to comply with all laws applicable to purchase and support services in Ontario and the federal laws applicable therein, including but not limited to the Ontario Occupational Health and Safety Act, the Ontario Workplace Safety and Insurance Act, the Ontario Human Rights Code, the Ontario Pay Equity Ac, the Personal Health Information Protection Act, the Canada Personal Information Protection and Electronic Documents Act, the Ontarians with Disabilities Act, 2005and the Canada Food and Drugs Act.

The successful Proponent shall warrants that the goods and services that the proponent is proposing to provide to the HRH are not the result of, and in no way involve, forced labor or child labour (as such terms are defined in Canada’s Fighting Against Force Labour and Child Labour in Supply Chains Act –Bill S-211 Act C-9).

(Excerpt – HRH’s Service Provider Contract Template)

Service Provider Contract -

9.1 Service Provider’s Representations and Warranties

The Service Provider represents and warrants to the Hospital as follows, and acknowledges that the Hospital is relying on such representations and warranties:

- (a) The Service Provider has full power and legal right to enter into this Agreement and To fulfill all of its obligations hereunder;*
- (b) No bankruptcy, insolvency or receivership proceedings have been instituted or are pending against the Service Provider, and the Service Provider is able to satisfy its liabilities as they become due;*
- (c) Neither the execution and delivery of this Agreement by the Service Provider, nor the performance of the Service Provider’s obligations hereunder, will conflict with, or result in a breach of, or constitute a default under any provision of its incorporating documents or by-laws, any Law, any decree of any court, arbitrator or governmental agency, or any contract, agreement or instrument to which it is a party or subject to, or by which its property is bound or affected;*

- (d) There is no proceeding in progress, or pending or threatened against, related to or affecting the Service Provider which might be expected to have a materially adverse effect on the Services or impact the Service Provider's ability to meet its obligations under this Agreement;*
- (e) No authorization, approval or consent of any person is required in connection with the Service Provider's execution and delivery of this Agreement and performance of its obligations hereunder;*
- (f) The Service Provider has the financial capacity to fulfill the terms of this Agreement and has never sought bankruptcy or insolvency protection or had a receiver appointed over its respective assets, has never failed to complete a contractual services/licensing/support agreement to which it was a party because of its lack of financial or human resources, has never been denied credit, has never been in breach of a loan or credit agreement to which it was a party, and has never been denied liability insurance or a business permit;*
- (g) The Service Provider has the expertise to perform the Services capably and efficiently; and*
- (h) The Services and Goods provided by the Service Provider 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 Chains Act – Bill S-211 Act C-9).*

Hospital Code of Conduct

To realize our mission, all employees and physicians are required to perform their duties and functions compassionately, impartially, diligently, efficiently with integrity and in a manner that must always bear public scrutiny.

The Hospital Code of Conduct establishes principles that guide the decision of all Hospital employees and vendors and is intended to promote and maintain respect, dignity, compassion, caring, teamwork, communication, professional accountability, and continuous improvement within an inclusive workplace.

As leaders, Management staff, will counsel individuals promptly when their conduct or behaviour is inconsistent with the intent of the Code. All staff, physicians, vendors, and volunteers are responsible to practice the behaviours described in the Code of Conduct and are accountable to report violations when they occur.

Additional Measures

In addition to an ongoing internal review of company policies and contractual relationships with existing organizations in our supply chain, Procurement has also initiated outreach to obtain the following information in writing:

- Vendor attestations on compliance with the Act and current responses with the Act coming into effect,
- Known status of any manufacturers or suppliers that are non-compliant with their own supply chain and
- Country of origin for all goods and products procured by HRH from them.

Once all responses are received from vendors in our supply chain, HRH will conduct a gap analysis to re-assess supply chain risk, supported by our existing supplier risk assessment to further identify any additional risk and opportunities for impact and continuous improvement of our supply chain processes.

HRH is also looking to develop and implement procedures to track relevant performance indicators, such as levels of employee awareness, number of cases reported and number of contracts with anti-forced labour and child labour. Additionally, HRH plans to engage with supply chain partners, civil society groups, experts, and other stakeholders on the issue of addressing forced labour and/or child labour.

3. Identification of Forced and Child Labour Risk

To understand where in the supply chain forced or child labour risks may exist, HRH recently carried out a risk assessment process. This process was guided by insights provided by the Walk Free Global Slavery Index, the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, and by the US Department of Labor's List of Goods Produced by Child Labour or Forced Labour. In conducting our supply chain forced and child labour risk analysis, we were able to highlight potential risks of forced or child labour associated with certain goods and certain countries.

Our risk identification exercise does not presuppose the actual use of forced or child labour within our operations or supply chains, rather, it is aimed at recognizing potential scenarios where such risks might arise, thereby further enabling us to implement effective preventative measures. Our assessment acknowledges that no industry is entirely exempt from the risks of forced and child labour and there are inherent vulnerabilities within certain sectors of our supply chain, particularly in regions where regulatory frameworks and enforcement mechanisms might not be robust.

Our analysis considered specific geographic regions that, according to the Walk Free Global Slavery Index and other credible sources, present a higher risk of forced and child labour practices. This geographic risk assessment, was combined with an assessment of at-risk-goods categories, further enabling us to apply a targeted lens to our risk assessment.

Risk Assessment Findings

Through the application of the analysis, HRH identified suppliers with products in six countries — China, Mexico, Thailand, India, Indonesia, and Colombia — as having a heightened risk of forced or child labour. The exercise was conducted on information that was best available for scrutiny at the time of the assessment, and Humber River Health understands that the proportion of expenditure by country can change as we work together with our suppliers to gather more information on sourcing for transparency and compliance. We no less, wish to consider these risks seriously. In contrast, half of the identifiable procurement is associated with countries that have a significantly lower estimated prevalence of forced or child labour. Canada and the United States for instance, together account for nearly one-third of the identifiable spend. HRH also considered the data from the US Department of Labor's List of Goods Produced by Child Labour or Forced Labour. This is an important step in isolating specific goods from our import portfolio that may be susceptible to forced or child labour. By considering this data against the products that we import, it became apparent that some imports from China, India, Indonesia, and Malaysia are subject to an elevated risk of being associated with forced or child labour practices. Although the spend associated with these products was less than one-fifth of the identifiable spend, this is nonetheless a critical insight that will direct attention for enhanced due diligence and analysis.

Overall, the findings from our risk assessment suggest that there is exposure to forced and child labour risks within the supply chain in the context of overall expenditures. As it relates to addressing the specific risk identified, please refer to Section 2 of this report which outlines the improvement efforts by HRH's Procurement & Logistics department staff to mitigate this risk and the related efforts to enhance or update applicable policies or procedures impacted.

4. Remediation of Forced and Child Labour

HRH has taken action to remediate potential risks of forced and child labour through the deployment of policies and procedures outlined in Section 2. Following ongoing internal assessments of existing policies, procedures, and our supply chain, if further risk is identified, HRH will take measures to address the impact identified on the hospital and to those who may be affected.

5. Remediation of Loss of Income

HRH has not identified any instances of child or forced labour in its supply chain or operations and therefore no measures have been taken to remediate the loss of income to vulnerable families.

Following ongoing internal assessments of existing policies, procedures, and our supply chain, if further risk is identified, HRH will take measures to address the impact identified on the hospital and to those who may be affected.

6. Employee Training

For this last reporting year, no formal training was provided to Procurement staff with respect to Forced Labour and Child Labour as defined in the Act, however Human Resources attended an OHA and BLG webinar, as well as, HRH obtained legal and professional assistance related to this issue.

HRH did, however, provide the following training for all procurement staff:

- Application and systems training
- Annual mandatory training (Hospital Code of Conduct, Supply Chain Code of Ethics, anti-stigma training, Bariatric sensitivity training, peer-to-peer effective communication training, prevention of workplace violence and harassment training, worker and health and safety awareness training, corporate support staff safety/de-escalation training, confidentiality and privacy training, Cybersecurity training, emergency code training, six IPAC training sessions and WHMIS training)
- Functional or role-based training (orientation for new staff (two days), Department Policy and Procedure Manual (PPM) review, role-specific job shadowing, one-on-one training from supervisor (if required) and refresher training when training content was updated, or system or technology upgrades occurred)

HRH uses a Learning Management System (LIME) to deliver training, which records employees attendance, completeness of training and any attestations that is incorporated HRH's performance review process and staff development.

Going forward, HRH plans to introduce to the annual mandatory training program in 2024 the Bill S-211 Section C-9 for all employees involved in procurement activities. Training will be developed by HRH's Risk Management team and provided to the entire department and will be based on an organizational ethical decision-making framework, Accountability for Reasonableness (A4R), to aid decision makers throughout the organization in setting priorities to reach decisions that are legitimate and fair.

Planned outcomes for this specific training include:

- Improving the knowledge and awareness of ethical decision-making,
- Improving the department's decision-making and procurement's impact and influence in addressing ethical challenges for end users, and
- Driving awareness of the commitment and importance of implementing effective ethical frameworks for nurturing trust, integrity, and responsibility in their role.

HRH reviews all policies and procedures every two years or as standards or applicable laws change, and annually if it involves occupational health and safety parameters.

7. Assessing Effectiveness

HRH is not able to determine current effectiveness of measures to assess and manage our risk of forced labour and/or child labour for this last reporting period. To address this, in 2024, HRH will:

- implement an annual monitoring mechanism to ensure effectiveness of our training programs and modify where required,
- develop and implement procedures to track relevant performance indicators as outlined in Section 2,
- establish a regular review or internal audit process of all organizational policies and procedures related to forced labour and child labour, and
- require vendors to provide an annual attestation and updated product forms to ensure continuous monitoring and compliance with the Act.

As part of achieving accreditation in Exemplary Standing in 2023, HRH has monthly meetings in place to ensure all policies and procedures are understood and followed by staff.

Going forth, the Procurement and Logistics department will be responsible for collecting, reviewing, and archiving vendor attestations based on HRH’s policies.

HRH is committed to continuous improvement on this subject as an organization to ensure transparency and accountability in our supply chain operations.

8. Approval and Attestation of the Report

In accordance with the requirements of the Act, and in particular Section 11, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable due 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.

Full Name: Barbara Collins

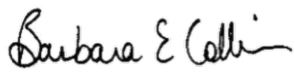
Full Name: Michael Iacovelli

Title: President & CEO

Title: Chair, Board of Directors

Date: May 23, 2024

Date: May 23, 2024

Signature: 

Signature: 

“I have the authority to bind Humber River Health.”

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