

## FINANCE & AUDIT COMMITTEE

### Consent Agenda Item

#### Annual Attestation – Forced & Child Labour in Canadian Supply Chains

##### Purpose / Recommendation

EORLA outsources its procurement function to the Ottawa Hospital (TOH). Consequently, it relies on TOH to ensure compliance with procurement regulatory requirements including the Broader Public Sector Accountability Act. For the current fiscal year, the Canadian Federal Government has introduced new regulatory requirements to deal with the occurrence of forced and child labour risks primarily through the global supply chains of businesses. The measures introduced through former 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), aim to increase industry awareness and transparency and drive businesses to improve practices.

As per the TOH Procurement Policy ADM V 110 and Bill S-211 the purpose of this report is to seek Board approval and attestation of the attached report to the Ministry of Public Safety. To support this, we will be getting a board approved attestation from TOH.

##### Strategic Priorities

Compliance to the Supply Chains Act supports financially responsible stewardship and sustainability and EORLA's responsibility to ensure that exploitative practices are addressed and eradicated from our supply chains. EORLA is defined as an "Entity" under the Supply Chains Act and, therefore, must comply with the obligations to report under the Act. Failure to properly report or publish is an offence, as is false/misleading statements leading to fines up to \$250,000 for EORLA, and potentially its Directors and Officers.

##### Introduction and Background

Forced labour can be found in every country and every sector. The International Labour Organization estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy. Forced labour and child labour risks occur primarily through the global supply chains of businesses. There is a risk that goods imported into and distributed in Canada were produced with forced labour or child labour. Entities and government institutions doing business in Canada have a responsibility to ensure that exploitative practices are addressed and eradicated from their supply chains. Entities include any corporation, trust, partnership, or other unincorporated organization that is listed on a stock exchange in Canada, or has a place of business in Canada, does business in Canada or has assets in Canada and meets two of the following three criteria for at least one of its two most recent financial years:

1. \$20 million or more in assets
2. \$40 million or more in revenue
3. An average of 250 or more employees

The measures introduced through the *Supply Chains Act*, aim to increase industry awareness and transparency and drive businesses to improve practices. EORLA is defined as an Entity under the Supply Chains Act and must submit an annual report to the Minister of Public Safety by May 31 of each year. The report must be approved and attested to by the Entity's governing body. Reports must detail, among other things, the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used by EORLA in our supply chains.

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

- In a prominent location on EORLA's website
- In an electronic registry on Public Safety Canada's website.

## Update

It should be noted that to comply with the Supply Chains Act, EORLA must comply with the obligation to report and is not required to action any of the risk mitigation measures outlined below.

The attached report is in the format of the Ministry's online questionnaire and includes the following measures that TOH on EORLA's behalf has implemented in fiscal year 2023/24:

- Obtained an attestation letter from TOH on the measures they have taken to mitigate the risk of forced and child labour in our supply chains.
- TOH surveyed all vendors and asked them to attest that no forced or child labour is used in their business activities and supply chain, and that they are developing and implementing due diligence policies and processes.
- TOH Procurement policy includes the requirement to comply with the Supply Chains Act.
- TOH Procurement policy supports the evaluation of environmental, social and governance (ESG) criteria and procurement templates include an ESG Schedule.
- TOH procurement templates include an ethical procurement declaration that address human and labour rights in the supply chain.
- TOH has developed a third-party risk management program that includes monitoring our critical vendors' performance and risk associated with forced/child labour in the supply chain.
- Obtained an attestation letter from our prime group purchasing organisation (Mohawk Medbuy) on the measures they have taken to mitigate the risk of forced and child labour in our supply chains.

TOH on behalf of EORLA is planning to maintain the above practices and introduce training for employees on forced/child labour in the next fiscal year.

## Risk / Opportunity Analysis

Risk:

EORLA must comply with the obligation to report under the Act. There is very low reputational risk associated with reporting. Given the transparency, some public opinion may be that TOH/EORLA is not doing enough to mitigate the risk of forced/child labour in our supply chains. This is mitigated by the actions taken in Q4 of 23/24 to improve our practices.

Opportunity:

The measures taken to support ethical suppliers and mitigate risk of forced and child labour in the supply chain supports EORLA's strategic direction to nurture our social responsibility, therefore enhancing our reputation.

## Additional EORLA Actions

- Seek attestation from TOH once board approved.
- Obtain signature and submit annual report to Ministry of Public Safety
- Publish report on the EORLA website before May 31, 2024

## Future Board Action Required

Approve and attest to the fiscal 2024/25 report, in May 2025

**APPENDIX – Government of Canada Online Questionnaire & Responses**

#	Question	Response
1	This Report is for....	An entity
2	Legal Name	Eastern Ontario Regional Laboratory Association (EORLA)
3	Financial Reporting Year	April 1, 2023, to March 31, 2024
4	Is this a revised version	No
5	Business number	Not applicable
6	Is this a joint report	No
7	Is the entity subject to reporting in another jurisdiction	No
8	Which categorizations applies to the entity	<p>Canadian business presence:</p> <ul style="list-style-type: none"> <li>• Has a place of business in Canada</li> <li>• Does business in Canada</li> <li>• Has assets in Canada</li> </ul> <p>Meets size-related thresholds:</p> <ul style="list-style-type: none"> <li>• Has at least \$20 million in assets for at least one of its two most recent financial years.</li> <li>• Has generated at least \$40 million in revenue for at least one of its two most recent financial years.</li> <li>• Employs an average of at least 250 employees for at least one of its two most recent financial years.;</li> </ul>
9	Which sectors or industries does the entity operate in	Healthcare
10	In which country is the entity headquartered or principally located	Canada
10.1	In which province or territory is the entity headquartered or principally located	Ontario
11	Government institutions only	Not applicable

**APPENDIX – Annual Report**

#	Question	Response
1	What steps has the entity taken in the 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	Monitoring Suppliers and Other, see details below.
2		<p>TOH on behalf of EORLA, surveyed all suppliers in March 2024 to attest that no forced or child labour is used in their business activities and supply chain; that they are developing and implementing due diligence policies and processes for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.</p> <p>TOH’s Procurement Policy includes the requirement to annually report by May 31st to the Ministry of Public Safety and Emergency Preparedness on steps taken to prevent and reduce the risk that forced, or child labour is used in the supply chain, and publicly post on the EORLA and TOH external website.</p> <p>TOH’s Procurement Policy states that TOH may incorporate Environmental, Social and Governance (ESG) criteria into the evaluation of a Competitive Procurement process. This has been incorporated into standard procurement templates and procedures.</p> <p>The declaration and certification schedule of TOH/EORLA’s procurement templates include an Ethical Procurement section that addresses the following:</p> <ul style="list-style-type: none"> <li>• Whether a proponent is identified as an entity under the Supply Chains Act and in compliance.</li> <li>• Attests and certifies if a proponent has not been in breach or violation of any human rights code in the last 5 years.</li> <li>• The proponent certifying against eight fundamental human and labour rights, including child labour, forced labour, abuse and harassment, discrimination, freedom of association and collective bargaining, occupational safety and health, fair wages, and hours of work.</li> </ul> <p>TOH has implemented a Third-Party Risk Management tool that includes a general risk assessment and supplier questionnaire. Questions include topics such as compliance, litigation/disputes, safety, and wellbeing of employees, addressing modern slavery and other human rights (including their suppliers), negative news articles, regulatory and ethical standard such as human rights policies throughout their supply chain, legal action or regulatory penalties related to supply chain practices, ensuring their suppliers and subcontractors comply with regulations related to labour.</p>

#	Question	Response
3	Which of the following accurately describes the entity's structure?	Not-for-profit incorporated organization
4	Which of the following accurately describes the entity's activities?	Importing into Canada goods produced outside Canada.
5	Please provide additional information on the entity's structure, activities, and supply chains.	<p>The Eastern Ontario Regional Laboratory Association (EORLA) is a member-based, non-profit organization operating 18 licensed, acute-care, hospital-based laboratories that service clinical programs across the Champlain Region of Eastern Ontario. The EORLA team delivers over 12 million diagnostic tests in our laboratories annually – using the latest technology, offering exemplary service and turnaround times, and providing ongoing innovation and continuous improvement initiatives. Our laboratories are accredited by the Institute for Quality Management in Healthcare and licensed through the Ministry of Health &amp; Long-Term Care. Laboratory staff include over 750 Medical Laboratory Professionals, along with approximately 75 Medical/Scientific staff, 50 Administration Staff and 14 Residents. The EORLA annual budget is approximately \$140M. We are governed by our Board of Directors, with representation from our Member Hospitals as well as the Community.</p> <p>EORLA purchases lab supplies and equipment to provide healthcare to patients, in addition to goods and services needed to support the infrastructure and back-office functions. TOH, on behalf of EORLA is the importer of record for the goods we purchase outside of Canada and therefore need to comply with the Customs Act. EORLA purchases directly from suppliers, distributors and manufacturers that are licensed to sell goods and services in Canada. Our supply chains include sub-contractors and third parties to our direct suppliers. TOH/EORLA is a member of a group purchasing organization (GPO) and leverages regional, provincial, and national contracts.</p> <p>The prime GPO has taken the following steps to mitigate the risk of forced and child labour in our supply chains:</p> <p>(i) Modified standard contract language “Representation and Warranties” section: “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 Chains Act).</p> <p>(ii) Modified competitive procurement templates to include language that supplier 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).</p> <p>(iii) If the GPO is made aware of any instances where forced labour or child labour exists in supply chains, they will inform TOH/EORLA.</p> <p>(iv) Developing internal policy and training for those in sourcing and supply chain roles.</p> <p>(v) Created a ESG team to develop a sustainability and ESG practices program.</p>

#	Question	Response
6	Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour?	Yes
6.1	If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply.	Embedding responsible business conduct into policies and management systems
7	Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour.	See response to question #2.
8	Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used?	No
9	Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries?	No
10	Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable).	Not applicable
11	Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains?	Not applicable. We have not identified any forced labour or child labour in our activities and supply chains.
12	Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable)	Not applicable.
13	Has the entity taken any measures 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. We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains

#	Question	Response
14	Please provide additional information on any measures the entity has 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 (if applicable)	Not applicable.
15	Does the entity currently provide training to employees on forced labour and/or child labour?	No
16	Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable).	Not applicable
17	Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains?	Yes
17.1	If yes, what method does the entity use to assess its effectiveness?	<p>Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour.</p> <p>Further, working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators.</p>
18	Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.	<p>The Procurement Policy and SOPs are reviewed annually.</p> <p>Further, the TPRM program will monitor forced labour and child labour risk and address supplier performance.</p>


**Attestation:**

This report has been approved by EORLA Board of Governors on May 19, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, 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 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: **Cholly Boland**

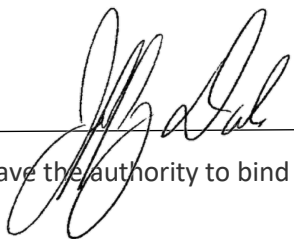
Title: Chair of EORLA Board of Governors

Signature:  \_\_\_\_\_

I have the authority to bind EORLA.

Full name: **Jeffrey Dale**

Title: CEO and President, EORLA

Signature:  \_\_\_\_\_

I have the authority to bind EORLA.