



SOUTHERN HEALTH-SANTÉ SUD ANNUAL REPORT FOR APRIL 1, 2025 – MARCH 31, 2026

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

Introduction

This annual report is in response to the requirement under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”), that an “Entity” report on its activities to mitigate the risk of forced labour and child labour being employed within its supply chain and its activities.

As it was confirmed that the Act pertains to Southern Health-Santé Sud as an “Entity”, this annual report is the third Southern Health-Santé Sud has completed pursuant to the Act.

Structure

Southern Health-Santé Sud is a health authority, and continued as a corporation under *The Health System Governance and Accountability Act* (Manitoba). The provincial clinical programs led by Southern Health-Santé Sud are located in southern Manitoba and consist mainly of health care centres, personal care homes, elderly person homes and various community programs.

Manitoba has a provincial health authority, Shared Health. Shared Health is responsible for the coordination and delivery of provincial clinical programs in Manitoba as well as shared administrative services to support other health authorities and certain health corporations that operate hospitals within Manitoba. Shared Health’s shared administrative services are overseen by the Lead of Corporate Services. Shared Health has a provincial lead and coordinate role which impacts Southern Health-Santé Sud.

Supply Chain Management Shared Services (“SCMSS”) is one shared administrative service provided by Shared Health. SCMSS enables the efficient acquisition of products, equipment, and services to achieve the best overall value considering cost, quality and outcomes. The range of services includes strategic sourcing, contracting,

value analysis, procurement, and distribution/logistics. SCMSS works in collaboration with certain health organizations across Manitoba and the provincial clinical programs led by Shared Health.

Southern Health-Santé Sud Activities

Southern Health-Santé Sud has determined it is engaged in the production, sale, importing, and distribution of goods as follows:

1. Food services:
 - a. Southern Health-Santé Sud operates cafeterias in the sites it operates in Manitoba where food/beverages are assembled by its staff and then sold to the public.
2. Pharmacy compounding of medications:
 - a. Southern Health-Santé Sud through its Pharmacy Program staff compounds medications that are not sold, but used for patient care in the Manitoba sites where the Pharmacy Program is embedded.
3. Importing:
 - a. To support its provincial clinical programs, Southern Health-Santé Sud purchases goods produced outside Canada from third party suppliers, where that third party is considered to be the importer for the purposes of the *Customs Act* but understands such is not considered importing under the Act.
 - b. However, Southern Health-Santé Sud on an as needed basis imports goods from distributors, with the assistance of a customs broker as needed, if its existing suppliers cannot provide the goods. This importing mostly applies to medical supplies and generally such is imported from the United States.

Supply Chain Underlying Southern Health-Santé Sud Activities

SCMSS is a shared administrative service under Shared Health. While Southern Health-Santé Sud participates in certain shared administrative services offered by Shared Health, SCMSS does not coordinate all competitive bid processes and purchasing activities for all health organizations within Manitoba. As a result, Southern Health-Santé Sud is also responsible for purchasing products, services, and equipment directly from suppliers. Generally, these purchases are made from contracts established by SCMSS with these suppliers, however, there are some exceptions.

Southern Health-Santé Sud is an active member of HealthPRO which is a national group purchasing organization. Approximately 30% of Southern Health-Santé Sud's

goods and equipment contracts are committed to HealthPRO agreements and approximately 95% of Southern Health-Santé Sud's pharmacy contracts are committed through HealthPRO agreements.

SCMSS' responsibility for Southern Health-Santé Sud's activities are as follows:

1. In 2025 the Procurement & Supply Chain division of the Government of Manitoba ("PSC") was responsible for leading the food and nutrition competitive bid process and contracting with the selected supplier to supply/deliver the raw materials that are used to produce the food/beverages that are sold in Southern Health-Santé Sud's cafeteria services. SCMSS assisted PSC to issue the food and nutrition competitive bid process but now relies on PSC to manage the contract with the selected supplier on behalf of the province, including Southern Health-Santé Sud.
2. SCMSS infrequently is responsible to lead the competitive bid processes and/or contracting with suppliers for the raw materials used to produce medications that are not sold but used for patient care. For a majority of its Pharmacy Program needs, Southern Health-Santé Sud relies on HealthPRO to issue competitive bid processes for these raw materials and thereafter Southern Health-Santé Sud together with other health care organizations enter a contract with the selected suppliers that are managed by HealthPRO. As described above, approximately 95% of Southern Health-Santé Sud's pharmacy contracts are committed through HealthPRO. A description of the direct and indirect suppliers that contribute goods/services to the goods produced through Southern Health-Santé Sud's Pharmacy Program and the source countries/regions of those goods/services, was not able to be ascertained for this annual report.
3. SCMSS, with the assistance of a customs broker, on an as needed basis imports goods for Southern Health-Santé Sud from a distributor if Southern Health-Santé Sud's existing suppliers cannot provide them. This importing mostly applies to medical supplies and generally such are imported from the United States. A description of the direct and indirect suppliers that contribute goods/services to the goods imported by Southern Health-Santé Sud and a more detailed description of the source countries/regions of those goods/services, was not able to be ascertained for this annual report.

Steps Taken in Previous Financial Year (April 1, 2025 – March 31, 2026)

During the previous financial year, Southern Health-Santé Sud took steps 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 Southern Health-Santé Sud, or goods imported into Canada by Southern Health-Santé Sud. Generally, this included:

1. Developing and implementing training and awareness materials on forced labour and/or child labour.

Shared Health through SCMSS also took steps in the past financial year to prevent and reduce the risk that forced labour or child labour is used in the supply chains managed by SCMSS and available to Southern Health-Santé Sud. However, these steps are not anticipated to address this risk in supply chains that contribute to any activities.

Generally, this included:

1. Developing and implementing anti-forced labour and/or child labour contractual clauses.

While not completed or implemented, in the past financial year Shared Health through SCMSS took initial planning steps in addition to the above to address the risk in supply chains managed by SCMSS. Therefore, these steps when implemented may only address Shared Health's importing activities and other SCMSS managed supply chains and are not anticipated to address the risk in supply chains that contribute to Shared Health's, & indirectly Southern Health-Santé Sud's, food services or medication compounding activities. Generally, these initial planning steps were in relation to:

1. Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;
2. Developing and implementing anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists; and
3. Monitoring suppliers.

Developing and implementing training and awareness materials on forced labour and/or child labour

Shared Health collaborated with a service provider to obtain training materials on forced labour and child labour. Three (3) basic online training modules are now available on Shared Health's learning management system, which will be mandatory for all SCMSS staff and voluntary for other Shared Health & Southern Health-Santé Sud staff. In the past financial year, all SCMSS staff completed the three (3) basic online training modules. Furthermore, SCMSS through its subscription with the service provider has access to additional training and workshops such as Tariffs, Trade Agreements, Incoterms and Forced Labour which was attended by select SCMSS staff responsible for contracting with suppliers.

Developing and implementing anti-forced labour and/or child labour contractual clauses

SCMSS developed anti-forced labour and/or child labour contractual clauses to include in new contracts entered into pursuant to its competitive bid processes. In late March 2026 these contractual clauses were implemented into SCMSS' template contracts.

Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains

SCMSS is in the process of planning a two (2) phase risk assessment of its suppliers. However, the risk assessment was not completed or implemented in the past financial year and when implemented it may only affect the supply chains managed by SCMSS.

The initial phase is expected to include basic research and screening using publicly available databases to identify suppliers operating in high-risk geographies or industries. The second phase is expected to include distributing a comprehensive supplier questionnaire and conducting a “tail spend” risk assessment to identify and map suppliers not engaged through a competitive bid process. It is anticipated that high risk suppliers identified through the tail spend risk assessment would be prioritized for further screening or onboarding to a competitive bid process.

Developing and implementing anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists

SCMSS is in the process of developing a supplier code of conduct. However, the supplier code of conduct was not finalized or implemented in the past financial year and when implemented it may only affect the supply chains managed by SCMSS.

Monitoring suppliers

As part of its two (2) phase supplier risk assessment, SCMSS is in the process of planning an ongoing monitoring and reporting process, which is expected to include establishing mechanisms for incident reporting/whistleblower channels and annual risk reviews/supplier score cards. However, the ongoing monitoring and reporting process was not finalized or implemented in the past financial year and when implemented it may only affect the supply chains managed by SCMSS.

Redeveloping and providing regional guidance to all staff on Code of Conduct

Additionally, in April 2025, Southern Health-Santé Sud re-envisioned the Code of Conduct for the organization. No information is directly linked to anti-forced labour and/or child labour.

Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

Southern Health-Santé Sud currently does not have any policies or due diligence processes (as described in the *OECD Due Diligence Guidance for Responsible Business Conduct*) in place related to forced labour or child labour. However, Southern Health-Santé Sud has hiring procedures that are designed to maintain compliance with federal immigration legislation and provincial employment legislation which addresses one form of child labour as defined in the Act i.e., *labour or services provided or offered*

to be provided by persons under the age of 18 years and that are provided or offered to be provided in Canada under circumstances that are contrary to the laws applicable in Canada.

Southern Health-Santé Sud's hiring procedures are designed to maintain compliance with federal immigration legislation that requires permanent residency, citizenship, or a permit to work in Canada or the pending application for the same, and provincial legislation where Southern Health-Santé Sud must register to employ any foreign worker other than a Manitoba Provincial Nominee.

All prospective employees of Southern Health-Santé Sud including staff recruited for food and pharmacy services are recruited by advertising job opportunities on various career websites as well as the Southern Health-Santé Sud career website. Prospective employees are required to respond to the question "*Are you legally authorized to work in Canada?*" and the answer options are: "*a) authorized to work for any employer, b) authorized to work for my present employer only, c) I require sponsorship to work in this country*". As part of the internal controls of Southern Health-Santé Sud, applicants are required to accept an acknowledgement that states that the information being provided through the application process is true and correct, that satisfactory background checks are required and if found to have misrepresented themselves they may be terminated.

As a general practice Southern Health-Santé Sud does not employ people under the age of 18 years. However, Southern Health-Santé Sud cannot prohibit employing persons that are under the age of 18 years as that would be considered age discrimination. Southern Health-Santé Sud has hiring procedures that are designed to maintain compliance with *The Employment Standards Code* (Manitoba) which non-exhaustively requires:

1. To not employ a person under the age of 13 years.
2. To employ a person that is 13 years or older but less than 16 years old requires a Work Readiness Certificate and/or a Child Employment Permit. The Work Readiness Certificate would certify they completed the Young Worker Readiness Certificate Program which pertains to labour rights and safety and include a signed consent of their parent to the employment.
3. To not employ a person under the age of 16 years between 11:00pm and 6:00am or for more than 20 hours during a week of school.

All new hires are required to complete a criminal records check (including vulnerable sector search), adult abuse registry check, and child abuse registry check ("Security Checks"). In Southern Health-Santé Sud's screening processes, the age of a worker (and the corresponding obligations/restrictions for employing same under *The Employment Standards Code* (Manitoba)) would be identified when reviewing the Security Checks. If an applicant must commence employment before the Security Checks are obtained and provided to Southern Health-Santé Sud, the letter of offer to the applicant will contain a statement that the offer of employment is conditional on the return of satisfactory security check(s), as required, and the failure to return same on or

before the date specified could result in the immediate termination of employment for cause.

Additionally, as previously noted, Southern Health-Santé Sud has recently updated the Code of Conduct for the organization.

Forced Labour and Child Labour Risks

Southern Health-Santé Sud did not start the process of identifying parts of its activities and supply chains that carry a risk of forced labour or child labour being used in the previous financial year.

Remediation Measures/Remediation of Loss of Income

Southern Health-Santé Sud did not undertake any measures to remediate any forced labour or child labour in its activities and supply chains in the previous financial year.

In addition, Southern Health-Santé Sud has not 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.

Training on Forced Labour and Child Labour

Southern Health-Santé Sud does not currently provide direct training to employees on forced labour and/or child labour. But as described above, three (3) basic online training modules are now available on Shared Health's learning management system, which are mandatory for all SCMSS staff and voluntary for other Shared Health and all Southern Health-Santé Sud staff.

Policies and Procedures Assessing Effectiveness


As described above, SCMSS developed a scored question for its competitive bid processes that require proponents that meet the Act's definition of "Entity" to provide their public facing commitment to eliminate forced labour and child labour and steps they have taken to ensure its supply chain is free from forced labour and child labour.

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of Southern Health-Santé Sud Board Chair, attest that I have reviewed the information contained in the report on behalf of the governing body of 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 within this report.

Name: Adam Monteith

Title: Board Chair

Date: May 26, 2026



I have the authority to bind Southern Health-Santé Sud