

APPENDIX A: Bill S-211 Annual Report ANNUAL REPORT

PURPOSE

This annual report for the 2024 fiscal year has been created by the Heart and Stroke Foundation of Canada (“**Heart & Stroke**”) for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c 9 (the “**Act**”).

OUR COMMITMENT

Heart & Stroke is committed to preventing and reducing the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere, including goods that the Heart & Stroke imports into Canada.

CATEGORIZATION, SECTOR, AND INDUSTRY

Heart & Stroke is an Entity Under the Act

In terms of the Act’s threshold requirements, Heart & Stroke has at least \$20 million in assets for at least one of its two most recent financial years, it has generated at least \$40 million in revenue for at least one of its two most recent financial years, and it has employed an average of at least 250 employees for at least one of its two most recent financial years.

Our Operations

Heart & Stroke is a Canadian registered charity, incorporated under the *Canada Not-For-Profit Corporations Act*. The organization’s purpose includes educating the public on the causes, effects, prevention, and curative measures for heart disease and stroke, as well as conducting research for the benefit of the public into the causes of, and treatments for, heart disease and stroke.

Heart & Stroke causes a small volume of goods to be imported into Canada that were originally produced outside of Canada.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Our Supply Chain

Heart & Stroke works with third-party vendors to import a small amount of goods into Canada that were originally produced outside of Canada. Heart & Stroke is the importer of record and works with a third-party vendor to import and distribute printed and promotional materials for fundraising purposes, donor and volunteer stewardship, and health promotion. Heart & Stroke is also the importer of record for “CPR Cubes” which are used for training individuals in CPR.

Steps Taken by Heart & Stroke in Fiscal Year 2024

To prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods imported into Canada, Heart & Stroke assessed the risks associated with forced labour and/or child labour in its activities and supply chains. Specifically, Heart & Stroke requested copies of factory audit reports from select vendors who manage overseas

production. These factory reports include, among other things, a review of whether child labour or forced labour is used in the production process. Heart & Stroke also included anti-forced labour and child labour contractual clauses to supplier contracts related to the overseas production of goods.

POLICIES AND DUE DILIGENCE PROCESSES

Heart & Stroke's Policies and Processes

Heart & Stroke maintains several policies and processes which affirm its commitment to abiding by applicable forced labour and child labour laws, including:

- (a) Upholding an internal commitment to work with vendors and suppliers who maintain policies and processes that prohibit the use of child labour and forced labour in the manufacturing and/or production of goods. For example, vendors of Heart & Stroke who produce products overseas provided confirmations that the goods they supplied are ethically sourced and free from child labour.
- (b) Securing audit reports from select vendors in order to assess ratings as they relate to the use of both child labour and forced labour in their overseas factories. Additionally, Heart & Stroke has required vendor confirmation they have placed prohibitions on the use child labour through contract terms.
- (c) Maintaining internal standard hours of work and overtime policies that adhere to applicable employment standards legislation. Additionally, all offers of employment made by the Heart & Stroke are explicitly contingent on the prospective candidate being legally entitled to work in Canada. Heart & Stroke also has a whistleblower policy.
- (d) Maintaining a Supplier Code of Conduct (the “**Code**”) with a guiding principle of ensuring that Heart & Stroke’s suppliers strive for the highest level of professional competence and integrity. Pursuant to the Code, suppliers who have signed on must agree to conduct themselves in an ethical manner and to abide by all Canadian laws. Additionally, the Code explicitly states that the sources of all materials, and the subsequent processing of the supplier’s final product, must not involve the use of child labour or work environments that violate human rights.

Taken together, the above policies and procedures help to reduce the risk of child labour and forced labour in Heart & Stroke’s operations and supply chain.

FORCED LABOUR AND CHILD LABOUR RISKS

Heart & Stroke has started the process of identifying risks of forced labour and child labour through the aforementioned vendor confirmations, audit reports, contractual clauses, standard hours of work, overtime policies, offer of employment letter, and Code. Heart & Stroke is aware that certain regions, goods, and industries may have higher risks of child labour and/or forced labour and it remains committed to identifying and addressing these risks.

REMEDIATION MEASURES

Heart & Stroke has not identified any forced labour or child labour in its activities or supply chains. As such, it has not undertaken any remediation measures.

Heart & Stroke has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains. As such, it has not undertaken any remediation measures for loss of income.

In the fiscal year 2024, Heart & Stroke did not provide training broadly to its employees specific to forced labour or child labour. Key employees in Supply Chain attended third party run training sessions. Moving forward, it will be assessing whether additional related training may be appropriate.

Heart & Stroke does not currently have specific policies and procedures in place to assess its effectiveness in reducing and/or eliminating the risk of child labour and/or forced labour in its supply chain. However, as outlined above, the policies and procedures that are currently in place do reduce the risk that child labour and/or forced labour is present in Heart & Stroke's activities and supply chain.

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.

)
)
)
)
)
)
)

Name: Jason Chang
Title: Chair, finance committee

Page 3 of 3