

Fighting Against Forced Labour and Child Labour in Supply Chains

Report

May 2024

This report represents Pharmascience Inc.'s (Pharmascience) report in response to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*ⁱ (Act), covering our fiscal year ending May 31, 2024.

We are committed to upholding fundamental human rights and believe that people around the world should be treated with dignity, fairness, and respect. Forced labour and child labour are contrary to our core values.

The Pharmascience *Code of Business Conduct* further details this commitment.

"Pharmascience will only engage suppliers and direct contractors who demonstrate a serious commitment to the health and safety of their workers, and operate in compliance with human rights laws. Pharmascience does not use or condone the use of slave labour, child labour or human trafficking, and denounces any degrading treatment of individuals or unsafe working conditions."

Pharmascience Code of Business Conduct, page 16

"Pharmascience strives to provide a safe and healthy workplace for employees, customers and visitors to its premises. All managers have the responsibility of ensuring proper safety and health conditions for their employees. Management is committed to maintaining industry standards in all areas of employee safety and health, including industrial hygiene, ergonomics and safety[...]"

Pharmascience Code of Business Conduct, page 18

Our Structure, Activities and Supply Chain

Structure and Activities

Pharmascience is a privately held Canadian manufacturer of generic, branded, and over-the-counter pharmaceuticals.

- **Pharmascience Canada**

The Canadian Generic Division of Pharmascience, manufactures and commercializes a broad variety of dosage form of generic products including tablets, capsules, injectable products and inhalation drugs in its Canadian facilities.

- **Pharmascience International**

Pharmascience international division provides a broad range of high-quality generic medications to patients around the world.

- **Pendopharm**

The Pendopharm division has developed expertise in single-source, innovative drugs in several therapeutic areas, from gastroenterology to orthopedics, neurology, and specialty medicine, reaching out to a variety of customer groups and patients in need of specialized products.

- **Royalmount Laboratories**

The Royalmount Laboratories division specializes in small molecule bioanalytical analysis and other tests required by corporations that are legally authorized to produce, sell, or distribute cannabis.

Supply Chain

To conduct its activities, Pharmascience sources a wide array of goods and services around the globe, spanning from raw materials to finished products, to meet its production requirements.



Our Policies

Our *Code of Business Conduct* and its supporting policies are at the foundation of Pharmascience and set the standards and expected conduct to foster our culture of business ethics, compliance, and accountability across the organization.

Code of Business Conduct

The standards and values enumerated in the *Code of Business Conduct* reflect the business practices and principles that support this commitment and express the culture of our company. This Code is binding on and applies to employees of all business units, departments, and other divisions throughout Pharmascience Inc. and members of the Board of Directors.

Notably, the company is committed to providing an equal opportunity, safe, and harassment-free workplace environment for its employees.

Additionally, the Pharmascience *Code of Business Conduct* outlines our commitment to select suppliers who demonstrate a serious commitment to the health and safety of their workers and operate in compliance with human rights laws.

We expect third parties with whom we work to comply with the law, to adhere to ethical business practices, and to observe requirements concerning labour, health, safety, environmental protection.

Corporate Policies Employee Handbook

Our Corporate Policies Employee Handbook provides additional details on the working conditions, our values and expected behaviours for all our employees.

More specifically, it provides a framework regarding our commitment to equal opportunity, a safe, healthy and free of harassment workplace, notably through the following topics:

- Harassment Policy
- Equity and Non-Discrimination Policy
- Compensation Practices
- Salary Policy
- Environment, Health & Safety Prevention Program

Our Due Diligence Processes

The fight against forced labour and child labour is managed by Pharmascience through a range of policies and procedures.

Supplier Risk Management

Pharmascience is committed to partnering with suppliers who prioritize their workers' health and safety and adhere to human rights laws. To ensure this, we have processes for assessing, auditing, and monitoring our suppliers' labour practices. If our due diligence processes identify a potential human rights risk, additional scrutiny will be applied.

In our request for proposal process, we include specific inquiries designed to detect and mitigate any instances of forced or child labour. For example, we require potential suppliers to report on their labour rights practices to ensure compliance.

We reserve the right to audit the supplier's facilities, supply chains, and records. This ensures that our commitment to ethical labour practices is upheld throughout our supply chain when sourcing goods or services.

We also incorporate targeted inquiries into our on-site audits to assess their adherence to good manufacturing practices. These audits include a dedicated section for reporting on the prevention of forced or child labour and the promotion of human rights.

Speak Up

Employees with knowledge of potential misconduct, or employees who become aware of potential misconduct, are required to report the matter through one of the reporting channels at their disposal. We take all matters of misconduct, improper action or wrongdoing very seriously and employees must report any potential misconduct or behaviour that is not in accordance with the *Code of Business Conduct*, or the policies to which it refers. Furthermore, Pharmascience prohibits retaliation, in any form, against any employee who, in good faith, reports any potential misconduct, who provides information or who assists in the investigation of a potential misconduct.

Pharmascience's *Speak Up Helpline* is a reporting channel in place at the disposal of our employees, partners, clients or any third party to report misconduct or non-compliance to our *Code of Business Conduct*, including incidents

relevant to our principle of upholding fundamental human rights within our organization and our supply chain.

The helpline is available 24/7, and anonymous reports can be made at any time.

Forced Labour and Child Labour Risk

Pharmascience has in place several measures to monitor the risk of forced and child labour within our organization and supply chain including processes to accurately identify and address these risks.

We recognize the risk of forced and child labour in our supply chain, given the array of goods and services we procure from around the globe.

We remain committed to assessing potential risk areas related to our supply chain and to act accordingly as per our due diligence processes further described above.

Our training

At Pharmascience, adherence to our *Code of Business Conduct* and the *Speak Up Policy* is a prerequisite for employment. All employees and contract workers joining Pharmascience receive training on the concepts of our *Code of Business Conduct* as well as on the reporting channels at their disposal to report misconduct. Additionally, on an annual basis, they are required to certify their understanding and acknowledgment of our *Code of Business Conduct* as well as our *Speak Up Policy*. This ensures that employees are fully informed about our commitment to labour rights and actively contribute to this shared objective.

Furthermore, specific groups of employees who manage and interact with our supply chains undergo training to emphasize the dangers linked to forced and child labour within our supply chains and the tools they have at their disposal to prevent, detect and address these risks.

Assessing our Effectiveness and Remediation

Our due diligence processes, coupled with our reporting channels, enable Pharmascience to evaluate both the risk and our performance in combating forced and child labour within our operations and among our partners.

Any reported misconduct related to our *Code of Business Conduct* and applicable policies are ultimately reported on a quarterly basis to a designated board member committee.

Our due diligence processes, which are thoroughly integrated into our supply chain activities, enable us to effectively monitor risk. We require our suppliers to report their labour practices via detailed questionnaires.

Our agreement terms and conditions mandate compliance with labour laws and respect for human rights as prerequisites for conducting business with Pharmascience.

Additionally, we conduct audits to ensure adherence to these standards. These measures provide us with robust tools to gather data on our supply chain and take appropriate action when necessary.

We have not as of today's date identified specific activities of forced labour or child labour in our supply chains and are committed to continued efforts in this regard and appropriate actions to remediate in the event of violations.

Moving Forward

We will continue to monitor and develop our practices in respect of combating modern slavery within our organization and our supply chain through the collaboration of various functions of our organization including Legal Affairs – Corporate Compliance, Global Operations – Supply Chain, Finance – Indirect Procurement, Global Operations – Health Safety and Environment and Human Resources.

Attestation Pursuant to the Act

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. I have the authority to bind Pharmascience Inc.

Signed by



David W. Goodman
Director
Pharmascience Inc.

May 28, 2024



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