



Forced Labour and Child Labour Report Canada - 2023

INTRODUCTION

PRIMED Medical Products Inc. (PRIMED) has prepared this report in compliance with Part 2 of the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (“Act”). This report relates to the 2023 fiscal year ending December 31, 2023 (the “reporting period”).

This report details the measures PRIMED took during the reporting period to prevent and reduce the risk of forced labour or child labour in our business and supply chain.

BUSINESS STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

PRIMED Medical Products Inc., the reporting entity under this Act, is a Canadian corporation located in Edmonton, Alberta. Our operations encompass commercial sales, marketing, quality, regulatory compliance, supply chain and logistics services, and information technology support.

Founded in 1995, our global footprint includes wholly owned manufacturing facilities in Canada, China, and Laos, alongside offices across Asia and North America. Renowned for our high-quality products, PRIMED’s medical products are used in hospitals across Canada and in healthcare facilities worldwide. We offer branded, co-branded, and private label products and services to our customers and international partners.

PRIMED sells medical personal protective equipment in Canada and purchases goods from its wholly owned subsidiaries and other manufacturing suppliers outside of Canada. PRIMED's wholly owned subsidiaries source raw materials for manufacturing from suppliers located in Asia and North America.

We employ a workforce of approximately eighty-six (86) persons, primarily on a permanent basis.

Risks of Forced and Child Labour in the Operation and Supply Chain

In 2023, PRIMED conducted an assessment aimed at identifying vulnerabilities and potential risks within our supply chain. This assessment, discussions with executives on key issues, and diligent tracking of our suppliers' social compliance audit results were key steps in conducting due diligence on our supply chain to identify risks of forced labour and child labour. We identified several risks relating to forced labour and child labour within our supply chain, primarily stemming from the sector/industry that we operate in, the geographical locations of our suppliers, and the types of products we source.

PRIMED is aware of the forced labour and child labour risks in the apparel and textile manufacturing sector and recognize that both the geographic location of some participants in our supply chain, as well as particular practices such as labour-intensive manufacturing processes, the use of outsourced labour and reliance on migrant workers by our suppliers may contribute to these risks. Despite these challenges, we have assessed the risk of forced labour and child labour within our supply chain as low, owing to the policies and procedures we have implemented and the partnerships we have fostered with our suppliers and partners.

Looking ahead to 2024, we are committed to further strengthening and refining our risk assessment and due diligence processes to ensure even greater effectiveness in identifying and addressing potential risks within our supply chain.

CONTROLS

Policy Statements

Our Forced Labour and Living Wage Statement aligns with internationally recognized standards, including the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the ten Principles of the United Nations Global Compact, and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. As indicated in the statement, we strictly abide by both local and global standards for human rights and social compliance against forced labour and child labour at all our manufacturing facilities and global offices. We ensure that all our employees and supplier partners receive living wages no lower than the minimum wage rate established by the local labour laws.

This statement, together with our Environmental, Social and Governance Statement, underscores our commitment to ethical business practices. These statements reflect our commitment to promoting social equity to create a workplace that embraces diversity, equal opportunities, fair labour practices, safe working conditions and respecting human rights for all employees. We require our suppliers and employees to comply with these standards.

Our Forced Labour and Living Wage statement is available externally on our website [HERE](#).

Employee Hiring Process

PRIMED does not hire employees under the age of eighteen. We are committed to complying with all applicable international, federal, state/provincial, and local child labour laws. We have a comprehensive hiring process in place which concludes with the successful candidates receiving individual job offers for their consideration and negotiation. This hiring process has been implemented by our wholly owned manufacturing facilities and global offices. PRIMED reviews the recruitment practices of our suppliers as part of the third-party independent audit to ensure similar compliance.

Sourcing Practices/Supplier Qualification

We endeavor to avoid, mitigate, and minimize adverse human rights impacts through our activities, and key to this is the assessment of prospective suppliers under our supplier pre-qualification process. Our prospective suppliers undergo a pre-qualification process that includes a comprehensive assessment to determine their suitability as a supplier for PRIMED. Using our Supplier Evaluation criteria, suppliers are evaluated based on their business profile, quality assurance practices, regulatory compliance, child and forced labour prevention practices, and other ethical business practices. Techniques such as on-site audits and documentation reviews are employed to verify whether the criteria are met. If gaps are identified, we will work with the supplier to ensure they meet the requirements before becoming an approved supplier.

We have developed a Supplier Code of Conduct, which serves as a framework for ethical business practices. This code emphasizes the importance of upholding worker rights and protections, particularly by prohibiting practices such as child labour, forced labour, and human trafficking. Additionally, it prohibits any form of discrimination, intimidation, abuse, harassment, or violence against workers. PRIMED anticipates continuing to implement our Supplier Code of Conduct in 2024.

Social Compliance Audits

Social compliance audits are mandated for all our suppliers, covering areas such as child labour, forced labour, health and safety standards, working hours, overtime practices, and consecutive days of work. Suppliers must provide PRIMED with copies of comprehensive reports detailing the audit findings, any non-conformities, and any recommended corrective actions. The audit requirements, along with mandatory submission of the audit reports and corrective action, are integrated into our supplier agreements with suppliers.

We work with our suppliers to ensure that our requirements are met, to remedy identified issues and to continuously improve, however, we maintain the right to terminate agreements where a supplier fails to take part in this process.

Additionally, we conduct annual supplier self-assessments and request documentation of compliance of the supplier's procedures and policies pertaining to the child labour, forced labour, health and safety standards, working hours, overtime practices, and consecutive days of work.

Whistleblower Policy

PRIMED actively encourages its employees and suppliers to collaborate with us in addressing any compliance-related concerns. Both employees and suppliers have the option to anonymously report concerns or issues, including allegations of forced or child labour. Multiple channels for reporting exist. PRIMED maintains a strict policy of zero tolerance for any form of retaliation or retribution against employees or suppliers who, in good faith, raise concerns about business conduct or supply chain issues.

EMPLOYEE TRAINING

In 2023, we conducted awareness sessions targeted for senior and executive-level staff. These sessions delved into the legal obligations outlined in the Act, explored the definitions of child and forced labour with our Executive Leadership Team and Senior Leadership Team.

PRIMED will continue to extend forced and child labour training across our organization. This training will cover various topics aimed at raising awareness. We are committed to upholding human rights and ethical standards throughout our operations and supply chain.

REMEDATION MEASURES

During the reporting period, PRIMED did not identify any instances of forced labour or child labour and therefore did not undertake any specific remedial action or provide 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.

ASSESSMENT OF EFFECTIVENESS

PRIMED acknowledges its responsibility to continue assessing the effectiveness of its measures to identify and mitigate the risks of forced labour and child labour in its operations and supply chain. We review the effectiveness of our actions by evaluating the results suppliers' self-assessment questionnaire, third-party audits and their associated corrective actions. We use these tools to monitor our suppliers' performance and to determine if there are any risks with continuing the relationship with the supplier(s).

MOVING FORWARD

PRIMED remains committed to advancing our efforts in combating the ongoing challenges of forced labour and child labour. We have identified key actions to bolster our approach to assessing and mitigating the risk of forced and child labour in both our operations and supply chain.

APPROVAL

This report was approved by the board of directors of PRIMED Medical Products Inc. on Thursday, May 23, 2024 (date).

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 PRIMED Medical Products Inc. 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 PRIMED Medical Products Inc.

David Welsh
Full name

May 23, 2024
Date

CEO
Title

David Welsh
David Welsh (May 28, 2024 11:12 MDT)
Signature


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Final Audit Report

2024-05-28

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