

Cedarlane's commitment to meet the applicable requirements of Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act)

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1. Introduction

Cedarlane values its network of product suppliers, distributors, and manufacturers as integral components of our business backbone, crucial to our success. We nurture numerous mutually beneficial, longstanding relationships with our suppliers and supply chain partners. Ensuring responsible conduct and compliance with international regulations is paramount to Cedarlane, especially since, for many, we serve as their distributor in Canada and the US.

In line with the requirements of the Act, this report describes the activities of Cedarlane to limit the risk of using forced and child labour in our supply chains. This report covers activities from January 1, 2023, to December 31, 2023 (the “Reporting Period”).

1.1 Reporting Entities

This is a joint reporting entity under CL Parent Canada Corporation, on behalf of CL Parent Canada Corporation and Cedarlane Corporation, collectively “Cedarlane”

2. Background, Business Structure and Supply Chain

Over the past six decades, Cedarlane has evolved from a modest venture into a multinational corporation, marking a significant presence in the Canadian life science industry. Today, Cedarlane employs over 60 dedicated professionals across Canada. Initially focused on a narrow range of products, our offerings have expanded dramatically, embodying our commitment to growth and innovation.

Cedarlane now provides a vast array of biological and biochemical products to life science researchers and clinicians, featuring items from some of the world's most respected international manufacturers. Our comprehensive catalog includes over six million kits and reagents, addressing virtually every need within the life science community. This extensive selection not only positions Cedarlane as a pivotal resource for researchers and clinicians but also allows our customers to enjoy significant benefits such as freight consolidation. These services offer convenience and cost savings, reinforcing our status as a one-stop-shop for life science needs. Through our expansive product range and committed service, Cedarlane continues to support and advance scientific discovery and healthcare globally. Serving customers globally, Cedarlane has an office and warehouse in Burlington, Ontario, Canada.

Cedarlane Corporation has experienced significant growth in the distribution of research, diagnostic, and regulated products over the past 20 years, now representing a diverse portfolio from global companies, with the vast majority of those suppliers located in the US. In addition to distributing a vast array of products, Cedarlane provides reagent (antibody) manufacturing and offers services in freight consolidation and aggregation.

Understanding the complexities of modern supply chains, particularly in the production of tangible goods, Cedarlane acknowledges the potential risks of forced and child labor within its supply chain. This is especially relevant for goods sourced directly or through subsequent tiers from suppliers located in regions where such practices might occur, despite the majority of our key suppliers being from areas with strict labor regulations. To mitigate these risks, Cedarlane utilizes resources such as the U.S. Department of Labor's [List of Goods Produced by Child Labor or Forced Labor](#) to identify and address potential concerns in our supply chains.

As an accredited ISO 9001 and ISO 13485 establishment, Cedarlane adheres to rigorous regulatory requirements, including our Anti-Bribery and Corruption (ABC), Sanctions, and Code of Conduct Policies. These standards ensure that our operations not only comply with international regulations but also uphold the highest ethical and professional standards, reinforcing the integrity and reliability of our supply chains.

3. Risk Management Process and Assessment

At Cedarlane, risk management is a fundamental aspect of our business operations, encompassing all processes and product realization. We conduct formal, documented risk analyses on every business process, each product group we manufacture, and every In Vitro Diagnostic (IVD) product we produce. This meticulous process includes scoring potential hazards based on their consequences, causes, and the effectiveness of prevention and detection measures. Processes that yield high risk scores undergo thorough review with the objective of mitigating risks.

We assess the risk of forced and child labor within our supply chains and businesses as minimal. The Reporting Entities operate primarily in Canada and the US, regions noted by the Global Slavery Index for their low prevalence and vulnerability to forced and child labor, bolstered by comparatively strong governmental oversight. Furthermore, our workforce is strictly governed by relevant federal and provincial labor and employment standards, complemented by our rigorous internal policies and procedures. These guidelines cover recruitment, labor sourcing, working conditions, and the ethical treatment of employees, ensuring our practices uphold the highest standards of integrity and compliance.

To further enhance our commitment to minimizing risk, Cedarlane has established a rigorous system for qualifying and monitoring our suppliers. The level of control exerted over suppliers is scaled according to the criticality of the supplier's product to our operations and its regulatory status. Our supplier management practices may include verifying business certifications, executing distribution agreements, conducting supplier surveys on business practices, and performing quality testing on incoming products. Notably, many of our suppliers hold ISO 9001 or ISO 13485 certifications, signifying that their business practices meet high quality standards through independent audits. Our supply and distribution agreements can encompass topics such as anti-bribery and corruption, and sanctions.

Given the complexity of the production processes for Life Science products, there is a reduced likelihood that our suppliers engage in forced or child labor. Additionally, for over 95% of our shipments, we partner with internationally recognized logistics providers whose Codes of Conduct explicitly prohibit illegal child, compulsory, or forced labor. Collaborating with these reputable transportation agents and other multinational companies further diminishes the risk of unethical labor practices in our supply chain.

These comprehensive measures collectively ensure the minimization of risks related to forced or child labor in Cedarlane's operations and our extensive supply chains, reinforcing our unwavering commitment to ethical business practices.

4. Policy and Due Diligence

Cedarlane has an Anti-Bribery and Corruption (ABC) Policy as well as a Sanctions Policy. These policies require Cedarlane to screen customers and suppliers who are from countries who are noted as Enhanced Corruption Risk Jurisdictions or Sanctioned Jurisdictions. We do not do business with customers or suppliers who are deemed sanctioned; for any customers and suppliers who are noted as Enhanced Corruption Risk Jurisdictions, these are screened on the Dow Jones Financial Crime Database (riskcenter.dowjones.com), to identify any potential business partner that may have any negative finding against them. In this instance, a more detailed review of the supplier/customer would be undertaken before engaging to ensure that the company is not engaged in business practices that are not inline with Cedarlane's. Note that customers and suppliers who are noted as Enhanced Corruption Risk Jurisdictions

are screened on a yearly basis to monitor any changes. While these policies do not directly have mention of forced or child labour, they indirectly 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 Cedarlane. In the coming year, we are aiming to strengthen our policies and screening to specifically include language related to fighting against forced and child labour.

In the infrequent instances where a customer or supplier is from a country having a higher risk for Anti-Bribery and Corruption, additional procedures are performed to reduce the risk of using suppliers engaged in negative business practices and these customers and suppliers also sign an anti-corruption and sanctions compliance certification.

Our Code of Ethical and Business Conduct Policy applies to all our employees, managers and directors and set to foster a healthy work environment and fair business practices to help all employees to make informed decisions. We request that all employees demonstrate honesty, integrity and equity when promoting and selling our products and services, as well as in the overall conduct of our affairs.

4.1 Supplier Risk Concentration and Assessment

At Cedarlane, we value our network of suppliers and partners, each of whom plays a critical role in our success. We maintain high standards of quality and ethics, as detailed in our various policies and codes of conduct, and we expect all our suppliers to adhere to these standards. Our long-standing and close relationships with suppliers are built on a foundation of open communication, transparency, and accountability, particularly in regulatory affairs.

To support these values, we offer a confidential and anonymous channel through which employees, contractors, suppliers, and other stakeholders can report any non-compliance with the CL Parent Canada Corporation's Code of Business Conduct and Supplier Agreements. Each complaint is taken seriously; it is assigned to the appropriate internal resource, thoroughly investigated, and addressed promptly. A response is provided to the individual who submitted the complaint, ensuring that all concerns are heard and acted upon.

This framework not only reinforces our commitment to ethical business practices but also strengthens our partnerships by fostering a mutual trust and respect that are essential for long-term collaboration and success.

4.2 Remediation

To date, Cedarlane is not aware of any instances of forced labour or child labour in operations or our supply chains, therefore, we have not had to undergo any Forced Labour or Loss of Income remediation. If we were informed or became aware of such activities in our supply chain, we will take immediate action to investigate the instance to then take the appropriate remedial action by either ceasing, preventing or mitigating any adverse impacts.

4.3 Training

All Cedarlane employees receive training during onboarding on our Code of Conduct, Anti-Bribery and Corruption Policy and Sanctions Policy. We also perform background checks on all our employees. In May 2024, we conducted awareness training to key employees, including the Leadership team on the Fighting Against Forced Labour and Child Labour in Supply Chains Act, with content that includes understanding of the objectives of the Act, importance of labour legislation, including Bill S-211, to identify potential human rights risks when dealing with suppliers and responsibilities of employees pertaining to the Act.

5. Monitoring and Governance

Top Management and Directors oversee our program to identify and respond to the risks of forced and child labour in our supply chains, and assess such efforts.

5.1 Framework

Senior Management and Directors are responsible for oversight of our corporate purpose and our corporate strategy, including supply chain labour issues, and disclosure. This includes the integration of Child Labour and Forced Labour risks within our company strategy and monitoring the implementation of corporate programs, goals and key initiatives. Moreover, it is responsible for our governance practices and policies, including those concerning business conduct, ethics, and disclosure.

Senior Management and Directors oversee the company's enterprise risk governance framework as well as the key risks to which the company is exposed, including supply chain risks and oversight of supplier risks.

Senior Management and Directors have oversight of human resource issues, including respectful workplace practices, diversity, equity, inclusion and belonging, team survey results, human rights, and health and safety.

5.2 Assessing the effectiveness of our controls

The company's management team is accountable for establishing, maintaining, and assessing its governance program that aims to address Child Labour and Forced Labour risks in its supply chains. As part of our governance process, each year we will assess the adequacy of our risk controls, including those presented by our supply chains. We have not yet taken any measurements to assess effectiveness of our controls. Under this process, management will report to senior management on the adequacy of our controls, and their alignment with current industry standards and trends. This includes compliance with policies and procedures related to supplier risk management. Management will provide ongoing guidance on the orientation the company should take in addressing Child Labour and Forced Labour issues such as responsible procurement.

As part of continuous improvement, we identified several key areas that can be addressed to mitigate we Child Labour and Forced Labour risks:

- Include appropriate language in the contracts.
- Update supplier code of conduct.
- Increase staff awareness through training.

Pursuant to CL Parent Canada Corporation's disclosure controls and procedures, the Vice-President/General Manager of Cedarlane, has certified, and plans to certify for the next reporting period, that disclosure controls and procedures have been designed and established and are maintained to cover the disclosure of any risks or incidents of forced and child labour in CL Parent Canada Corporation's supply chains, and that the disclosure controls and procedures for this report are effective.

6. Approval and Attestation

This report is for the entity CL Parent Canada Corporation. and its subsidiaries subject to the Act as set out in section 1.1 (Reporting Entities) and has been approved by CL Parent Canada Corporation Senior Management and Directors pursuant to subparagraph 11(4)(b)(ii) of 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 or entities 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 make the above attestation in my capacity as a director of the Board of Directors of CL Parent Canada Corporation for and on behalf of the Board of Directors of CL Parent Canada Corporation.

[SIGNATURES ON NEXT PAGE]



CDR 501 Fighting Against Forced Labour and Child Labour Chain Act

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I have the authority to bind CL Parent Canada Corporation.

Signature Kyle Pahapill

Name Kyle Pahapill

Title Vice President/General Manager

Date May 30, 2024

Signature _____

Name Mike Kinzler

Title CFO

Date May 30, 2024