

Fighting Forced Labour & Child Labour in Supply Chains Act

I. Scope of Report

This report is dated May 28, 2025, and is jointly submitted by Apotex Inc. ("Apotex") with entities acquired by Apotex: (1) Searchlight Pharma Inc., Aralez Pharmaceuticals Canada Inc. (collectively, "Searchlight"), and (2) CanPrev Natural Health Products Ltd. ("CanPrev"), for the reporting fiscal year, April 1, 2024, to March 31, 2025.

This report is issued pursuant to the *Fighting Forced Labour and Child Labour in Supply Chains Act* ("Canada's Modern Slavery Act") on the steps Apotex has taken during its previous financial year 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 the entity or of goods imported into Canada by the entity.

II. Organizational Structure

Apotex is a Canadian-based global health company with approximately 6,500 employees worldwide (~4,000 Canadian employees). Apotex is a corporation, registered and headquartered in Toronto, Ontario, Canada. Searchlight (~120 Canadian employees), with offices in Montreal, Quebec and Mississauga Ontario, was integrated with Apotex during the reporting fiscal year, and operates as the branded pharmaceutical division of Apotex. CanPrev (~125 Canadian employees), a natural health company based in Toronto, Ontario, was acquired by Apotex in February 2025.

A. Activities

Apotex manufactures, distributes and markets generic, biosimilar and branded pharmaceutical and consumer health products and manufactures Active Pharmaceutical Ingredients (APIs) for Apotex as well as third parties. Apotex has sales in over 70 countries and territories, and our global footprint includes a presence in the US (~150 employees), Mexico (~900 employees) and India (~1,400 employees), and includes a network of distributors and strategic alliances.

CanPrev contracts solely with Canadian and US manufacturers for its vitamins, supplements, and other natural health products.

B. Supply Chain

Apotex procures APIs and other raw materials, packaging components, finished pharmaceutical products, and logistics from domestic and international suppliers and partners with suppliers for manufacturing and R&D activities in its supply chain. Apotex works with more than 490 direct raw



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material and packaging suppliers in over 23 countries, encompassing suppliers of all sizes, from small organizations through to global multi-nationals. Our largest procurement categories in the reporting fiscal year were direct suppliers and our main countries of supply were Canada, USA, China, India and Mexico.

III. Policies and Due Diligence Processes

A. Governance and Policy Framework

Apotex has adopted a series of core policies that communicate our position on forced labour and child labour, which explicitly prohibit their use in our operations and supply chains.

All Apotex employees are required to comply with the Apotex Code of Conduct and Business Ethics policy which outlines Apotex's policies on Human Rights and Employment Law, including our commitment to the Ethical Trading Initiative (ETI) Base Code (i.e., provisions on freely chosen employment, freedom of association, living wages, working hours, discrimination, child labour, and working conditions).

All suppliers, vendors, contractors, consultants, agents and other providers of goods and services with whom we do business are expected to comply with the Apotex Global Supplier Code of Conduct (SCoC). The SCoC Code sets out the principles and expectations as to how suppliers that provide goods and services to Apotex, its subsidiaries or affiliates, are to conduct business with and deal with Apotex in the areas of safe working conditions, fair and respectful treatment of employees, environmental management, and ethical business practices. It is based on recognized international human rights standards, and it outlines the expectations Apotex has of suppliers on the prevention of modern slavery and human trafficking, labour practices, health and safety, ethics business practices, including anti-corruption, product quality, data privacy, respecting the environment, and supply chain transparency and sustainability. In the reporting fiscal year, Apotex followed up on the campaign for attestation to the SCoC from a subset of 200 suppliers considered top tier by direct spend and industry. At the end of the reporting fiscal year, the attestation rate was 63%. An escalation campaign is underway with a reminder every two weeks from our third-party platform, Assent as well as our procurement category managers.

In the reporting fiscal year, Apotex introduced enhancements to the global third-party due diligence procedure, where new engagements (or amendments to contracts) with contract manufacturing organizations, contract development and manufacturing organizations, contract research organizations and manufacturers or suppliers of active pharmaceutical ingredients, intermediates or finished



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products, in jurisdictions, considered by Apotex to be higher risk, must undergo due diligence screening, and are subject to ethical contract clauses including commitment to the SCoC.

B. Internal Responsibility

Apotex's Board, through its Audit Committee, and Executive Leadership Team play an essential role in guiding our approach to sustainability, including on issues related to the prevention of forced labour and child labour. Apotex has established a cross-functional ESG team, which is responsible for implementing our human rights commitments, including in relation to child labour and forced labour. This team is led by the Chief Legal Officer, who is a member of the Executive Leadership Team and delegates responsibility for ESG issues that are considered material as part of the ESG program such as: climate and GHG emissions, supply chain management (including responsible sourcing), and human capital (e.g., workplace diversity, equity, and inclusion; workplace safety). This team ensures Apotex's expectations are communicated to employees and suppliers. It is also responsible for ensuring that relevant staff who select and interact with suppliers, including procurement teams, contract managers and purchasing staff, receive training on how to identify, prevent and address risks of forced labour and child labour in the supply chain. This team also manages the responses to customer ethical sourcing audit requests and ESG related questionnaires.

C. Supplier Vetting

Apotex initiated a supplier qualification program in the reporting fiscal year that includes screening new suppliers for business development projects against requirements on forced labour and child labour. Suppliers in higher-risk countries or categories are subjected to greater scrutiny, including due diligence screening for risks of corruption, sanctions, and modern slavery. Apotex plans to increase the number of suppliers who will be engaged in the supplier qualification program in the current fiscal year.

D. Contractual Clauses

Our direct supplier contract template includes a clause related to the SCoC which states "Apotex expects every Supplier to comply with and align their behaviours to the standards outlined in Apotex's Global Supplier Code of Conduct ("Supplier Code)". In the reporting fiscal year, Apotex incorporated relevant ethical clauses, including compliance with the SCoC, into our contract templates, which will "go live" this year.

E. Grievance Mechanism

Apotex has an established grievance mechanism called APOspeaks that enables any internal or external interested party (affected persons or whistleblowers) to report concerns of forced and child labour issues, without fear of retribution. Grievances can be filed online or by phone through an



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independent third-party service available 24/7, in multiple languages, and with anonymous reporting options. Complaints can also be raised with the Chief Business Ethics and Compliance Officer, Global Legal or Global Human Resources. Our process helps ensure that complaints are swiftly received, risk-assessed, prioritized, investigated, and resolved. APOspeaks is communicated regularly to Apotex employees via on-line campaigns and posters and is prominently displayed in the Apotex Code of Conduct and Business Ethics, SCoC, as well as internal and external Apotex websites.

I. **Forced Labour and Child Labour Risks**

The parts of the Apotex business and supply chains that carry the risk of forced labour or child labour being used include both suppliers in certain countries, such as China, India, and Mexico, and suppliers in certain industries, such as raw materials sourcing, packaging component manufacturing, R&D, and finished goods suppliers.

A. Risk Assessment

The risk of forced labour or child labour in supply chains is dynamic, complex, and often hidden; therefore, Apotex has prioritized efforts that give visibility into our supply chain to identify susceptibilities and work with our business partners to address those risks. Apotex has partnered with Assent Inc. ("Assent"), a third-party service provider, to review our supply chain and identifying risks of forced labour or child labour. Working with Assent, Apotex conducted a risk evaluation to gauge suppliers' susceptibility to child labour or forced labour within their operations and supply chains. Apotex used a risk-based strategy that prioritizes the parts of our supply chain that pose elevated risks for links to, or involvement in, forced labour or child labour. The risk assessment consists of two key components:

1. Direct Engagement With Suppliers

Leveraging the industry-standard Slavery and Trafficking Risk Assessment Tool (STRT) built into the Assent platform, Apotex engaged approximately 200 suppliers during the previous reporting year. These suppliers were prioritized based on Apotex spend (>80% of spend in the preceding 24 months) and industry.

Using the Assent platform, Apotex surveyed these suppliers on their operational environments, policies, procedures, and practices, as well as the measures they have in place to detect, prevent, and address the risk of forced labour and child labour. Information on the types of materials and goods produced, the geographic location of production and/or sourcing, as well as labour practices is being collected. The information received will give us insight into risk factors and matters of concerns such as the use of migrant or underaged workers, use of recruitment agencies, payment of recruitment fees and



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withholding of workers' documents, all of which are indicators of forced labour and child labour. Additional information on the existence or otherwise of worker verification processes, forced labour or child labour risk control mechanisms, and due diligence processes for managing such risks in their operations and supply chains is also being collected.

This ongoing supplier engagement will facilitate the evaluation of suppliers' policies addressing forced labour or child labour, as well as identify protective measures supporting their workforce. Additional inquiries within the STRT will help assess each supplier's level of due diligence in managing these risks, addressing issues, or taking corrective actions.

Once the collection of information is completed, Assent will evaluate the quality of each supplier's response and assign a risk score based on the supplier's inherent risk for forced labour or child labour, as well as their risk control practices. This will enable us to "segment" suppliers as high, medium, or low risk, and to take appropriate actions for each category of risk. Through the Assent platform, Apotex tracked the responsiveness to the survey during the reporting fiscal year, with notification reminders from the platform, as well as an outreach to non-responders personally via our procurement category managers. The response rate is currently 46% with an ongoing escalation campaign in the current fiscal year aimed to improve that score.

In the reporting fiscal year, Apotex reviewed its suppliers against the same criteria applied in the previous fiscal year. Of the 200 suppliers surveyed in the previous fiscal year, 7 are no longer suppliers and 24 additional suppliers meet the criteria applied for top tier suppliers based on direct spend and industry. The Searchlight direct supplier list was also reviewed against the same criteria applied to the Apotex database, except that cost of goods was used to estimate total spend. There were three suppliers, who met the top tier criteria used for the Apotex dataset. In the current fiscal year, Apotex will send the STRT campaign to the applicable Apotex and Searchlight suppliers who met these thresholds.

CanPrev's products are manufactured by third-party contractors in Canada, except for two manufacturing partners in the United States. CanPrev suppliers did not meet the monetary threshold to be considered top tier suppliers; however, Apotex endeavours to screen CanPrev's current suppliers and known upstream suppliers in higher risk countries as part of the third-party risk management program in the current fiscal year.

2. Ongoing Indirect Monitoring of Suppliers

In the previous fiscal year, In addition to the direct engagement with our suppliers to assess risk, we screened the same set of suppliers against a variety of publicly available information, ranging from social media posts to Non-Governmental Organization (NGO) and academic reports, government



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sanctions lists, denied parties lists, adverse media and other reports to give us insight into possible risks of Modern Slavery in certain suppliers as well as on all Chinese suppliers in our supply chain, regardless of spend. In addition, all known direct and indirect suppliers of finished dose, API and packaging for Searchlight products were reviewed. The same set of suppliers are continually monitored for changes in their risk profile based on these factors.

B. Corrective Actions

During the reporting year, our risk assessment identified a number of suppliers with indications of risks, often in the form of non-existent or weak forced labour and/or child labour management systems and policies. Such suppliers were advanced to the corrective actions step of our due diligence program. The corrective actions step helped us to work with suppliers to remediate the issues identified within a set timeframe, depending on the type and severity of the non-compliance. The process is facilitated by our third-party partner, Assent, who also monitors suppliers' progress on the actions assigned, ensuring that we can keep track of progress and make decisions as to next steps for those suppliers who do not satisfactorily implement assigned actions. Seventeen (17) suppliers were assigned corrective actions during this reporting year, and Apotex, with Assent, will monitor progress and completion of those corrective actions during the current fiscal year.

II. **Remediation Measures**

As described above, during the reporting fiscal year, Apotex was in the process of collecting information from suppliers to assist in the identification of risks associated with forced or child labour. We did not identify any actual cases of forced labour or child labour in our supply chain. Corrective actions have been assigned, as applicable, as described above. In the current fiscal year, we will continue to monitor and assess severity of non-compliance and make decisions as to next steps for those suppliers who do not satisfactorily implement assigned actions.

In the event of any findings of forced labour or child labour, Apotex will take immediate action to remediate the situation.

III. **Measures to Remediate Loss of Income**

During the reporting year, Apotex did not identify any actual cases of forced labour or child labour; therefore, we did not take any steps that led to loss of income to vulnerable families.



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IV. Training and Capacity Building

Annually, Apotex employees receive training on the Apotex Code of Conduct and Business Ethics, which includes provisions for the prevention of forced labour or child labour. In addition, Apotex trained relevant employees on the updated global third-party due diligence procedure, which includes the process for screening suppliers in countries at higher risk for modern slavery risk, as well as the expectation of the use of ethical contract clauses, including compliance with the SCoC. Further, Procurement category leads received training on the SCoC, as well as the process for enhanced supplier engagement with respect to the Assent platform surveys. Suppliers engaged by Apotex through the Assent platform have access to training materials via the Supplier Help Centre and Supplier Support. These materials are available to help suppliers recognize and mitigate forced or child labour.

IV. Assessing effectiveness

Apotex plans to enhance processes for assessing the effectiveness of the initiatives detailed in this report. Currently, Apotex tracks the performance via the monitoring of our grievance mechanism and has undergone customer ethical sourcing audits via independent third-party auditors. Apotex has partnered with Assent to perform ongoing screening and evaluations of our suppliers and will track corrective actions through this platform.

V. Approval and Attestation

Pursuant to section 11(4)(a) [or subparagraph (b)(i) or subparagraph (b)(ii)], this report has been approved by Apotex Inc.’s Board of Directors on behalf of Apotex and signed by Apotex’s Chief Legal Officer.

Name: Francesco Tallarico	Signature: 
Title: Chief Legal Officer, Apotex Inc.	Date: 5/29/2025