



# **BIOSYENT INC.**

## **REPORT ON MODERN SLAVERY**

For the Year Ended  
December 31, 2023

**BioSyent Inc.**

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## 1. Introduction

*The Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) requires that certain entities report on the measures they have taken during the fiscal year to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains. This Report on Modern Slavery (the “**Report**”) is being prepared and filed by BioSyent Inc. (the “**Company**”) in compliance with its reporting requirements under the Act. This Report refers to the 2023 fiscal year (i.e. January 1, 2023 to December 31, 2023), and describes measures taken by the Company during the 2023 fiscal year (unless otherwise indicated).

The Company does not tolerate child labour, forced labour or any other form of modern slavery. The Company is committed to supporting and respecting the protection of human rights and stands against all forms of modern slavery. The Company understands the important role that it plays in respecting human rights and aims to avoid causing or contributing to adverse human rights impacts.

## 2. Steps taken to prevent and reduce the risk of forced labour or child labour

The Company considers the respect of human rights to be a fundamental corporate responsibility and a value governing all of its activities. The Company places the highest importance on respecting human rights while conducting its business activities, and the Company expects the same of its business partners.

In 2023, the Company took the following measures which could prevent and reduce the risk that forced labour or child labour is used at any step of the production of the Company’s goods in Canada or elsewhere:

- **Careful selection of suppliers:** When sourcing new products, the Company conducts a fulsome diligence review of any prospective partner and ensures that any manufacturing site is licensed by the relevant regulatory authority for pharmaceuticals manufacturing and packaging.
- **Diligent monitoring and communication with suppliers:** The Company’s supply chain, regulatory and corporate development personnel are in constant communication with key production and quality control personnel of its suppliers regarding their products and processes.
- **Continued commitment to upholding and respecting human rights:** The Company continues to uphold, enforce and promote its Code of Business Conduct and Ethics (the “**Code of Conduct**”) and its Whistleblower Program. The Code of Conduct requires that employees comply with all applicable laws and regulations while fulfilling their duties and responsibilities. The Whistleblower Program encourages employees to report any concerns relating to the Company or its business (including any human rights concerns) directly to the Audit Committee of the Board of Directors.

More details on the above actions are set out in this Report.

## 3. Corporate structure, activities and supply chains

The Company is incorporated under the *Canada Business Corporations Act*. The Company’s common shares are listed for trading on the TSX Venture Exchange under the symbol “RX”.

Headquartered in Mississauga, Ontario, the Company is a specialty pharmaceutical company that is mainly focused on sourcing, acquiring or in-licensing and further developing innovative pharmaceutical and other healthcare products that improve the lives of patients and support their healthcare providers. As of December 31, 2023, the Company had 59 employees in Canada.

The Company has four wholly-owned subsidiaries: BioSyent Pharma Inc. (“**BioSyent Pharma**”), BioSyent Pharma International Inc. (“**BioSyent Pharma International**”), Hedley Technologies Ltd. (“**Hedley**”) and Hedley Technologies (USA) Inc. (“**Hedley USA**”). Through BioSyent Pharma and BioSyent Pharma International, the Company sources, acquires or in-licences and further develops pharmaceutical and other healthcare products for sale in Canada and certain international markets. Through Hedley and Hedley USA, the Company manufactures, markets and distributes a bio-friendly, non-chemical and food-safe grain insecticide.

The Company markets and sells a diverse range of healthcare products, including over-the-counter, behind-the-counter and prescription products. A full list of the Company’s products is available on the “Products” page of its website (www.biosyent.com). The Company actively sources and imports its pharmaceutical and other healthcare products from regulated entities in five countries outside of Canada. A majority of the Company’s pharmaceutical and other healthcare products are sourced from the United States and Europe, while some products are sourced from the Southeast Asia region. The products sourced by the Company are then sold and distributed primarily within Canada as well as certain international markets.

#### **4. Policies and due diligence processes in relation to forced labour and child labour**

The Company does not have policies and due diligence processes in place relating specifically to forced labour and/or child labour. However, as outlined below, the Company does have policies and due diligence processes in place that outline the principles of conduct and ethics to be followed by the Company.

##### Policies

The Company is committed to embedding human rights considerations into its policies, governance framework and decision-making. While the Company does not have a specific policy in place relating to modern slavery concerns, the Company’s Code of Conduct requires that employees comply with all applicable laws and regulations while fulfilling their duties and responsibilities. The Company plans to update the Code of Conduct to specifically address human rights and modern slavery issues in supply chains in the near future.

In addition, the Company’s Whistleblower Program (and the associated Whistleblower Policy) encourages employees to report any concerns relating to the Company or its assets (including any human rights concerns) directly to the Audit Committee of the Board of Directors.

##### Due Diligence Processes

When sourcing new products, the Company conducts a fulsome diligence review of any prospective partner, including a review of publicly available disclosures and financial information. As part of this diligence review, the Company ensures that: (i) the applicable manufacturing site is licensed by the relevant regulatory authority for pharmaceuticals manufacturing and packaging; and (ii) quality assurance practices are in place.

As part of the licensing requirements for pharmaceutical manufacturing facilities, there are periodic site inspections (conducted by government regulatory authorities such as Health Canada or the Food and Drug Administration) which ensure continued compliance with applicable laws and regulations. The Company itself is also subject to these licensing requirements and periodic inspections. While these laws and regulations do not specifically address forced or child labour, it is very unlikely that a forced or child labour scenario could occur in a licensed pharmaceutical manufacturing facility of the Company’s products.

#### **5. Areas of risk and steps taken to manage risk**

The Company has worked to identify risks within its activities and supply chains and will continue to strive to identify emerging risks. The Company has accomplished this by: (i) conducting an internal assessment of risks of forced labour

and/or child labour in its activities and supply chains; and (ii) continuing to monitor its suppliers. The Company is generally of the opinion that its activities and direct supply chains do not carry a material risk of child labour or forced labour.

The Company mainly operates in the pharmaceutical industry, which is highly regulated in Canada. This high level of regulation reduces (though does not preclude) the risk of forced or child labour in its supply chains. The location of the Company's suppliers (mainly the United States and Europe) also reduces the risk of forced or child labour in its supply chains. In addition, the Company's continuous monitoring of its suppliers serves to reduce the risk of forced or child labour in its supply chains. With respect to the Company's limited participation in the insecticide industry, any products marketed and distributed by the Company are manufactured in North America, thereby reducing the risk of forced or child labour.

The Company recognizes that risks relating to modern slavery are complex and evolving, and the Company is committed to continuing to work on identifying and addressing any such risks in its business.

#### **6. Measures taken to remediate any forced labour or child labour**

No situations have arisen requiring implementation of remediation measures.

#### **7. Measures taken to remediate the loss of income**

The Company recognizes that efforts to prevent and reduce the risk of forced labour and child labour can have unintended consequences of contributing to a loss of income for vulnerable families. However, to date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

#### **8. Training provided to employees on forced labour and child labour**

In 2023, the Company did not require formal training on modern slavery for its own employees. However, all employees of the Company are trained in accordance with the Company's six core values: integrity, respect, leadership, corporate sustainability, embracing change and perseverance. These values attempt to establish a general culture of fairness and respect, which would run counter to forced labour, child labour or human rights abuses.

The Company also has an Employee Handbook which outlines certain policies and procedures of the Company. All employees of the Company must review, acknowledge and agree to abide by the policies and procedures set out in the Employee Handbook. Included in the Employee Handbook is the Company's Code of Conduct, which outlines the Company's commitment to compliance with all applicable laws, rules and regulations where it operates. As indicated above, the Company plans to update the Code of Conduct to specifically address human rights and modern slavery issues in supply chains in the near future. Also included in the Employee Handbook is the Company's Whistleblower Policy, which empowers employees to report all concerns, including human rights abuses, directly to the Audit Committee of the Board of Directors.

#### **9. How we assess effectiveness**

As of December 31, 2023, no actions have been taken to assess the Company's effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains. However, as stated above, the Company understands the important role that it plays in respecting human rights and aims to avoid causing or contributing to adverse human rights impacts.

## 10. Approval and Attestation

**Pursuant to section 11(4)(a) of the Act, this Report was approved by the Board of Directors of the Company on April 19, 2024.**

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.

Full name: René C. Goehrum

Title: Chairman and Chief Executive Officer

Date: April 19, 2024

A handwritten signature in black ink, appearing to read 'R. Goehrum', followed by a horizontal line extending to the right.

I have the authority to bind BioSyent Inc.