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# **FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS**

## **AGFA HEALTHCARE INC. 2023 REPORT**

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### **INTRODUCTION**

This Report outlines AGFA HealthCare Inc.'s governance processes, existing measures, and progress made in the 2023 fiscal year to prevent and mitigate the risks of Forced Labour and Child Labour across the supply chains we utilize.

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## **OUR STRUCTURE, BUSINESSES AND SUPPLY CHAIN**

### **OUR CORPORATE STRUCTURE**

AGFA HealthCare Inc. ("AGFA HealthCare") is a Federal corporation, a reporting entity for the purposes of Section 2 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"), and is subject to the legal requirements in Section 11 of the Act. This Report is made pursuant to the Act for the fiscal year ended December 31, 2023 and was approved by AGFA HealthCare's Board of Directors on May 24, 2024.

For the purposes of the Act, the reporting entity covered in this Report includes only AGFA HealthCare Inc. AGFA HealthCare is a private and active corporation continued under the *Canada Business Corporations Act*. AGFA HealthCare is a fully owned subsidiary of AGFA HealthCare N.V., a Belgium company. AGFA HealthCare is a member of the AGFA-Gevaert Group of companies.

## BUSINESSES AND SUPPLY CHAIN

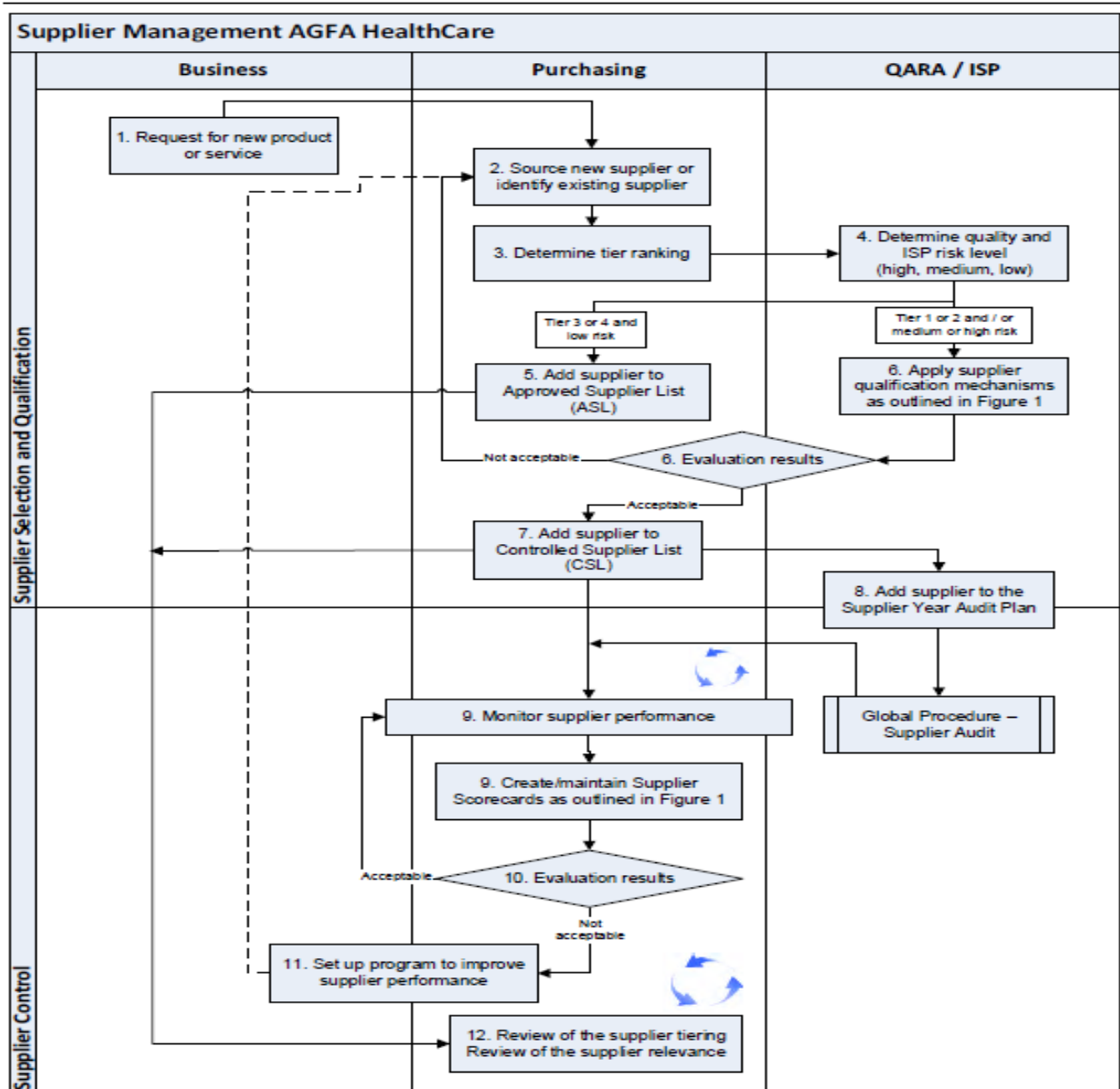
AGFA HealthCare is a healthcare information technology company that has expertise in Imaging IT software solutions, including, but not limited to its Enterprise Imaging suite of Picture Archiving and Communications Systems software products and is engaged in the research and development, production, testing, integration, marketing, sale and support of such products.

AGFA HealthCare is involved in a wide range of businesses related to imaging IT. We develop software in Canada and sell and support said software within Canada. We also purchase hardware, third-party software and associated services from suppliers within and outside of Canada to support AGFA HealthCare's Imaging IT software products. At AGFA HealthCare, we are dedicated to our customers and we have harnessed a value framework of Mission, Vision and Customer Delivery Principles into our routine operations. Through these principles, we commit a consistent high-yield code of conduct to our associates, channeling our experience and aspirations to all our stakeholders.

AGFA HealthCare has a zero tolerance approach to forced labour and child labour of any kind, whether it will be from within our own operations or through our supply chains. All staff are expected to report any concerns, using the appropriate reporting channels. AGFA HealthCare will investigate and takes seriously any allegations that human rights are not properly respected.

At AGFA HealthCare, we believe that suppliers are key providers of innovative, quality based, sustainable and cost efficient solutions. As such, suppliers contribute to AGFA HealthCare competitive advantage, growth and profitability in its key markets and, in the end, to its leadership position. The AGFA-Gevaert Group details our structure, values and Corporate Social Responsibility activities further within its annual report, which is published on its website ([www.agfa.com](http://www.agfa.com)) at <https://www.agfa.com/corporate/investor-relations/reports-and-presentations/annual-reports>

The supply chains for IT predominately include large infrastructure providers and software vendors. AGFA HealthCare has established a Supplier Management Framework in order to ensure that suppliers are qualified and controlled in a manner that is aligned with the quality, security and business risk of the supplied products, components or service. **See below Figure.**



## OUR POLICIES AND DUE DILIGENCE PROCESSES

AGFA HealthCare considers respect for human rights as a moral imperative integral to its business license to operate. AGFA HealthCare’s policies detail our commitment to acting ethically and partnering with organisations that share that vision and can demonstrate compliance. These policies include the global AGFA Code of Conduct (as integrated into the AGFA-Gevaert Corporate Governance Charter), which applies to all employees, directors, officers, and contingent workforce contractors of Agfa-Gevaert N.V. and its foreign and domestic subsidiaries, and the global AGFA Health, Safety and Environment Policy. These policies are publicly available on AGFA’s website. In addition, AGFA-Gevaert N.V., on behalf of itself and all of its affiliated companies, has adopted the AGFA Purchasing Supplier

Code of Conduct (the “Supplier Code of Conduct”), discussed in more detail below, which, among other things, explicitly forbids the use of forced labour and child labour.

Furthermore, AGFA HealthCare is fully committed to complying with all laws that apply to itself, its products and its operations. Consistent with previous years, in 2023, a review of the employee database confirmed that there were no AGFA HealthCare employees who can be associated as child labourers either by being too young to work or being involved in hazardous activities that may compromise their physical, mental, social or educational development.

AGFA HealthCare ensures through its policies and contractual controls that such supply chains work in line with the requirements of the *Forced Labour and Child Labour in Supply Chains Act*. It is the policy of AGFA HealthCare to conduct business in compliance with the laws and widely accepted norms of fairness and human decency, and we require our suppliers to act similarly. As a condition of doing business with AGFA HealthCare, we expect our suppliers to conform to the requirements of the Supplier Code of Conduct. AGFA HealthCare will assess its suppliers’ conformance to these requirements, and consider a supplier's progress in meeting these requirements and their ongoing performance in making sourcing decisions.

We expect our suppliers to correct non-conformance issues identified during assessments. If suppliers refuse or are unable to correct the non-conformance to our satisfaction, AGFA will terminate the relationship as a last resort. Our requirements, as stated in the Supplier Code of Conduct, are as follows, but not limited to:

1. Legal Compliance
2. Prohibition of Corruption & Bribery
3. No Unfair Business Practices
4. Anti-Discrimination
5. No Harsh or Inhumane Treatment
6. Freely Chosen Employment
7. Prohibition of Child Labour
8. Freedom of Association & Collective Bargaining
9. Fair Working Hours
10. Wages & Benefits
11. Health & Safety of Employees
12. Environmental Protection
13. Supply Chain Security
14. Management System

Suppliers shall adopt or establish a management system that supports the content of the Supplier Code of Conduct. Such management system will be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to supplier operations and products; (b) conformance with the Supplier Code of Conduct; and (c) identification and mitigation of operational risks related to the areas covered by the Supplier Code of Conduct. Moreover, the management system should drive continual improvement.

In accordance with the Act, AGFA HealthCare will continue to monitor and improve our processes to ensure transparency within the organisation and of those organisations which supply goods and services to Agfa HealthCare. **See below Figure.**

AGFA HealthCare has established a Supplier Management Framework in order to ensure that suppliers are qualified and controlled in a manner that is aligned with the quality, security and business risk of the supplied products, components or services (Figure 1).

The Supplier Management Framework has a primary focus on Manufacturers or Service Providers. Sales agents or distributors are considered only when their activities can result in any quality issues for product or service.

Regionally sourced suppliers are initially screened for the applicability of this procedure via a Pre-Assessment Checklist (PAC) provided by Global Purchasing (ref 83195537).

All suppliers which require qualification and control (per Figure 1) will be followed by means of the Controlled Supplier List (CSL). Low tier & low risk suppliers are managed directly in the purchasing SAP system and listed in the ASL (Approved Supplier List).

In the event that the supplier tiering or risk changes, resulting in the supplier no longer meeting the CSL criteria, the record will be transferred to the ASL.

RISK		QUALIFICATION			CONTROL		
Business	Quality / ISP	New Supplier Questionnaire	Audit	Nomination Committee	Scorecard Review	Questionnaire and Audit	Record keeping
All Tiers	HIGH	Yes	Based on supplier questionnaire	Yes	Quarterly	Questionnaire every 3 years min.  Audit only based on poor questionnaire OR following poor (scorecard) performance	CSL
Tier 1	MEDIUM				Biannually		
Tier 2					Yearly		
Tier 3/4			No: unless poor pre-assessment				
Tier 1	LOW		No	Yes	Yearly		
Tier 2							
Tier 3/4		No, unless requested by stakeholders			Product follows general business controls as outlined by Corporate AGFA Purchasing Process	SAP & ASL	

Figure 1: Supplier Management Framework

## **FORCED LABOUR AND CHILD LABOUR RISKS**

The nature of AGFA HealthCare's software development operations and the highly-skilled profiles required to perform them are such that AGFA HealthCare Inc.'s operations are not at a high risk of trafficking in human beings, forced or compulsory labour and child labour. AGFA HealthCare's suppliers are not from industries, geographies or sectors at high risk of any forced labour or child labour occurring. A risk review of our supply chain activities is conducted to identify those geographical regions, industries, and suppliers with high-risk exposures to forced labour and child labour and assess the effectiveness of any controls in place.

We have not identified forced labour or child labour risks in our activities and supply chains or any 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. AGFA HealthCare will continue to strive to identify risks and improve its internal processes to ensure compliance with the Act.

## **ACTIONS TO ADDRESS THE RISKS**

AGFA HealthCare has procedures and policies in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. AGFA HealthCare sets up a regular review or audit of the organisation's policies and procedures and tracks numerous contracts with anti-forced labour and prohibition of child labour clauses.

Our contracts with suppliers require compliance with the Supplier Code of Conduct. The Supplier Code of Conduct mandates compliance with laws, the maintenance of applicable legal systems, and the demonstration of a satisfactory record of adherence to both legal requirements and widely accepted standards of fairness and human decency by suppliers, including freely chosen employment and prohibition of child labour.

## **OUR REMEDIATION MEASURES**

Since AGFA HealthCare's processes and tools did not yield any evidence of forced labour or child labour, we did not implement any remediation measures in the 2023 fiscal year.

## **OUR TRAINING AND AWARENESS**

Every member of AGFA HealthCare’s team is expected to comply with the principles and requirements set out in the AGFA-Gevaert Code of Conduct. The AGFA-Gevaert Code of Conduct requires directors, officers and employees of AGFA to act in accordance with the highest standards of ethical conduct and integrity and in full compliance with all applicable laws of each jurisdiction in which AGFA transacts business. AGFA’s suppliers are provided the Supplier Code of Conduct to reinforce expectations and awareness of human rights topics including not utilizing forced labour and child labour.

Ethical conduct goes beyond mere compliance with the AGFA-Gevaert Code of Conduct. It involves addressing identified risks inherent in the specific nature of the performed business activities, tasks, countries of operations, etc. and is therefore complemented by more detailed corporate, divisional and/or local policies that define the roll out of these principles within each domain. The coverage and frequency of internal audits take into consideration, for example, the highest risks potentially existing in the most at-risk functions (e.g., procurement and sales organisations).

AGFA HealthCare establishes, implements and maintains documented processes, procedures and/or learning and development practices to manage the training and development of employees, contractors and suppliers. All AGFA managers worldwide are required to take training on the Agfa-Gevaert Code of Conduct. All employees of the AGFA Purchasing Department worldwide are required to take training on the Supplier Code of Conduct. All AGFA HealthCare employees have access to dedicated channels made available on the AGFA-Gevaert Group's online training platform Percipio, e.g., “The Ethical Leader,” “Modeling Ethical Leadership” and “Ethics, Integrity & Trust;” thus, they can learn behaviors and strategies to model ethical, honest and trustworthy practices.

## **ASSESSING OUR EFFECTIVENESS**

The AGFA-Gevaert Corporate Governance Charter and the behavior covered by the Code of Conduct is defined by its Board of Directors (“BoD”). The BoD regularly conducts a comprehensive review of the Corporate Governance Charter. It is updated as often as needed to reflect the Group's corporate governance at any time and to assess whether it still is aligned with the latest principles, provisions and guidelines on Corporate Governance. Compliance with the Code of Conduct is required for all employees. The Supplier Code of Conduct forbids forced labour and child labour in AGFA HealthCare’s supply chain, and AGFA HealthCare is monitoring and improving its processes to ensure transparency.

## **REPORT APPROVAL AND ATTESTATION**

We, the undersigned, attest that this Report has been approved by the Board of Directors of AGFA HealthCare Inc. on May 24, 2024 pursuant to paragraph (4)(a) of Section 11 of the Act.

In accordance with the requirements of the Act, and in particular Section 11 thereof, we further attest that we have reviewed the information contained in the Report for AGFA HealthCare Inc. Based on our knowledge, and having exercised reasonable diligence, we 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.

DocuSigned by:  
*Nathalie McCaughley*  
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**Nathalie McCaughley**  
Member of the Board of Directors  
President HealthCare IT  
Dated May 24, 2024

I have the authority to bind AGFA HealthCare Inc.

DocuSigned by:  
*Ryan Fiala*  
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**Richard Ryan Fiala**  
Member of the Board of Directors  
Vice-President Finance and Treasurer  
Dated May 24, 2024

I have the authority to bind AGFA HealthCare Inc.