Bill S-211

AI/ML Innovations Inc. & Health Gauge Inc.
- Report on Modern Slavery Risks in its Supply Chain -

Report on Financial Year: **May 1, 2023 – April 30, 2024**

1. Company Background Information –

AI/ML Innovations Inc. began its current operations in January, 2021 and focuses on integrating artificial intelligence and machine learning into various sectors, with a primary emphasis on healthcare and digital health solutions. Through its subsidiaries, Health Gauge Inc. and Tech2Health, the company offers AI-enhanced wearable technology for health monitoring and digital mental wellness services. AI/ML Innovations aims to revolutionize healthcare by leveraging smart technologies to improve user experiences and outcomes.

The core work of AI/ML through our subsidiary companies is software development which includes online web services applications, mobile applications, artificial intelligence & machine learning based solutions and prototype work with biometric sensors.

AI/ML Innovations Inc. generates its primary revenue streams through its digital health solutions, primarily via subscription-based models, and services in the provision of its digital health and AI/ML based software resources. One of the key offerings is Health Gauge, which combines wearable technology with AI-driven health analytics to provide comprehensive health monitoring services. This product targets the growing market for digital health monitoring and is aimed at both individual consumers and business clients, including health benefits providers and corporate partners. Additionally, the company offers services like TheNeuralCloud.com, a neural net as a service platform, and continues to explore opportunities in the broader AI/ML landscape, particularly in healthcare

2. Corporate Structure –

AI/ML Innovations Inc. is a publicly traded company and listed in Canada on the Canadian Stock Exchange (AIML), and with head office based in Victoria, BC. Health Gauge Inc., one of the primary operating subsidiaries of AI/ML Innovations is based in Edmonton, Alberta.

The ownership structure of AI/ML Innovations is diverse, with the general public holding 83.6% of shares, followed by private companies, individual insiders, and institutions holding smaller percentages. Major shareholders include Moonshot Inc. and ThreeD Capital Inc., which have significant stakes in the company.

3. Why is the Report on Bill S-211 policy important for AI/ML Innovations Inc. –

The Bill S-211, aimed at increasing industry awareness and Fighting Against Forced Labour and Child Labour in Supply Chains Act, is a crucial policy for AI/ML Innovations Inc.

In regards to our primary operating subsidiary companies, we engage and work with a very limited network of suppliers with over 90% of our supply chain work being in software development and less

than 10% of our work being in the sourcing of wearable technologies, predominantly wrist wearable smartwatch devices which are sourced from Shenzhen, China.

- Software development: AI/ML software development, key resources for strategy and product development and product management is based in Canada and the company is compliant with Canadian labour regulations and standards.
- Software development: Mobile and Web Services Applications: Key resources are contracted and based in India. These resources are all paid wages and fees at or equivalent to what they would be paid in Canada, and no forced or child labour is a part of the development activities.

AI/ML Innovations Inc. ensures that its product and applications development processes and upholds its dedication to quality and ethical standards at every stage. In the digital age, where information is readily available, the impact of negative publicity from unethical supply chain practices can be detrimental, and adhering to Bill S-211 helps AI/ML Innovations Inc. mitigate these risks by aligning its operations with ethical labor standards. This enhances AI/ML Innovations Inc.'s brand reputation as a responsible solutions provider.

AI/ML Innovations and it's subsidiary companies source devices and software development services from organizations that are vetted and comply to international standards. For external remote contract resources we are taking steps to review all contracts with our service providers and will be establishing and confirming compliance with Bill S-211 for all services work. We will also make sure that our current supplier practices and complying with the Bill verifies that the company's operations do not inadvertently indirectly support any form of forced labour and Child labour in the supply chain.

Responding to Consumer Expectations – Today the client is more informed and conscious about the products they purchase and the companies they support. By ensuring suppliers and contractors adhere to legal standards, AI/ML Innovations Inc. will ensure we meet these responsible expectations from its clients.

Strategic Growth and Innovation – The policy framework we are developing encourages our leadership and companies to re-evaluate and innovate their supply chain management strategies. For AI/ML Innovations Inc., this means enhancing partnerships with suppliers who adhere to ethical labor practices and investing in practices that provide greater visibility into the supply chain. These practices will lead to improved efficiency and more transparent ethical operations.

4. Steps taken during last financial year to prevent and reduce the risk of forced labour and child labour prevalence in the supply chain –

The company has been mostly addressing low scale R&D type activities in the areas of prototype and software development, with over 90% of our work activities being done with resources in Canada, and the United States. In all cases we have either addressed labour spending with reputable companies and pay above average salaries or compensation.

In the current financial year, we will be taking a more structured approach towards understanding and integrating the requirements of Bill S-211, aimed at preventing and minimizing the risk of child and forced labor within the supply chain.

Policy Understanding – The initial step will involve further reviewing the Bill and understanding the reporting requirements. This will include reviewing the policy documents to understand the policy objective and its operational implications on AI/ML Innovations Inc.

We plan to add an online questionnaire for all suppliers in our business operations to complete for record in order to better address ongoing management and compliance to our S-211 compliance requirements.

This foundational knowledge will support the company in developing its internal policy frameworks and reporting mechanisms from suppliers.

Insights into International Labour Organization (ILO) Protocol – As a next step, strong emphasis will be placed on gaining insights into the International Labour Organization's protocols on child and forced labor. ILO's report on "Ending Child Labour, Forced Labour and Human trafficking in global supply chains." was referred to understand important data and crucial insights into the prevalence and risk factors associated with labor abuses in supply chains globally. Important findings, such as the increased contribution of child labor from regions such as Eastern and South-Eastern Asia to global exports, help the company identify high-risk regions and industries.

Gap Analysis and Future Planning – AI/ML Innovations Inc. performed an initial gap analysis of its current practices and policies against established standards and gather relevant industry best practices that could be integrated into the company's operational frameworks. This analysis identified necessary areas for improvement, including enhancing the existing company policy and the supplier due diligence process.

Stakeholder Engagement and Policy Implementation – Looking ahead, AI/ML Innovations Inc. plans to enhance its engagement with Tier-1 suppliers and other key stakeholders for establishing an active evaluation mechanism encompassing Forced Labour, and Child labour.

5. Policies and Due Diligence Processes in relation to Forced Labour and Child Labour –

The company does not currently have a fully established policy framework and supplier due diligence processes specifically addressing concerns related to forced labor and child labor. However, it acknowledges the importance and urgency and is currently developing a revised policy and supplier due diligence questionnaire. This is expected to be completed in the current financial year.

6. Current supply chain risk management –

AI/ML Innovations Inc. and their subsidiary companies such as Health Gauge Inc., which is majority owned by AIML, procures wearable devices manufactured in Shenzhen, China. The wearable devices are manufactured by Shenzhen Goodway Communications Technology Co., Ltd. which Is a leading manufacturer of IoT wearable devices that markets their solutions globally and maintains a professional workforce that meets international manufacturing standard.

Regarding our software development services, approximately 60% of the resources are based in Canada, and all resources are paid at competitive market rates and are managed within Canada's labour standards. The remaining labour has been contracted and is paid at or above prevailing

market rates in USD$ amounts. We only work with reputable companies and have maintained a long-term relationship with our suppliers.

In the current fiscal year, AI/ML Innovations Inc. seeks to implement more thorough due diligence processes in the upcoming financial years to compliment its ongoing procurement activities. Conducting supplier trainings and online surveys is part of the plan, which would further enhance transparency, thereby reinforcing the company's commitment to ethical sourcing practices.

7. Training provided to employees on forced labour and child labour –

AI/ML Innovations Inc. companies have not conducted training for employees on forced labor and child labor in the last financial year. However, the company has plans to implement this training in the financial year 2025. This decision aligns with the company's efforts to comply with the Bill S-211 and combat forced and child labor in its supply chains. The training will be a part of the company's broader strategy to enhance compliance and ethical standards across its operations.

8. Remediation of loss of income –

AI/ML Innovations Inc. and its subsidiary companies, including Health Gauge Inc. did not require remediation measures to be put in place for loss of income because none of the suppliers fall into the high-risk category for forced or child labor practices. In the coming year, the company plans to undertake further work to address supply chain risk mapping with our leading suppliers

The planned remediation measures, included in the report below (10. Planned Remediation Measures), supports AI/ML Innovations Inc.'s ongoing compliance with labor standards and serves as a preventive measure against potential future risks that could lead to situations necessitating remediation for loss of income.

9. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains –
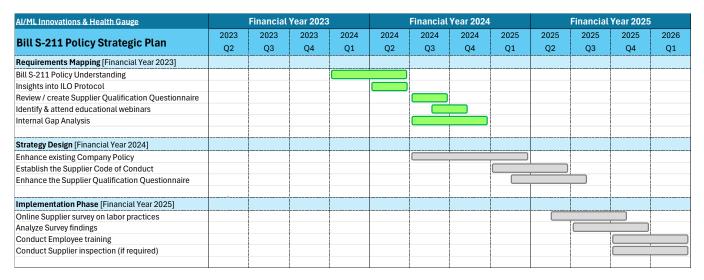
Currently we have been confirming compliance with our suppliers of devices and software services, but we will be taking further steps in the current fiscal year to address communicating the requirements of Bill S-211 within our supply chain.

The company will conduct online surveys with all existing suppliers to assess their adherence to the Supplier Code of Conduct, following its implementation in the current financial year. The Supplier Code of Conduct will incorporate questions and criteria focused on labor standards and ethical practices. AI/ML Innovations Inc. will consistently monitor compliance and identify any areas for improvement. Additionally, these assessment processes will be strengthened by conducting training sessions for employees and suppliers designed to underscore the importance of adhering to labor laws and the ethical standards.

10. Planned Remediation Measures –

In the previous financial year, the company reviewed materials from trusted sources as well as other companies and their approach to understand the requirements of Bill S-211 to mitigate the risks of child and forced labor in its supply chain. This included analysis of the bill and related materials from

reputable online sources as indicated at the end of this document, focusing on annual reporting obligations and other compliance aspects. The company also reviewed the International Labour Organization's protocols and reports to identify high-risk regions and industries. This initial foundation work has set the stage for upcoming strategy and implementations aimed at enhancing supply chain transparency and supplier practices relating to our business policy and practises.

AI/ML Innovations & Health Gauge	Financial Year 2023				Financial Year 2024				Financial Year 2025			
Bill S-211 Policy Strategic Plan	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1
Requirements Mapping [Financial Year 2023]												
Bill S-211 Policy Understanding				█								
Insights into ILO Protocol					█							
Review / create Supplier Qualification Questionnaire						█						
Identify & attend educational webinars						█						
Internal Gap Analysis						█	█					
Strategy Design [Financial Year 2024]												
Enhance existing Company Policy						█	█	█				
Establish the Supplier Code of Conduct								█	█			
Enhance the Supplier Qualification Questionnaire								█	█			
Implementation Phase [Financial Year 2025]												
Online Supplier survey on labor practices									█	█		
Analyze Survey findings										█	█	
Conduct Employee training											█	█
Conduct Supplier inspection (if required)											█	█

In the current financial year (in 2024), AI/ML Innovations Inc. is strengthening its company policies related to labor practices in its supply chain to ensure compliance with Bill S-211 and improve overall corporate responsibility. A Supplier Code of Conduct will be created. This document will include and clearly define the ethical standards and labor practices that all suppliers must adhere to. A new supplier qualification questionnaire will include specific questions aimed at assessing potential suppliers' compliance with labor laws and ethical standards.

In financial year 2025, A key component of this strategy would involve organizing trainings and academic webinars for all its suppliers and employees. The aim is to increase traceability and enable more effective tracking throughout the supply chain.

11. Conclusion –

AI/ML Innovations Inc. remains committed to ethical business practices by strengthening its policies and procedures to address forced and child labor risks in its supply chain. As detailed in this report, our approach involves robust due diligence, enhanced supply chain mapping, and ongoing stakeholder collaboration to ensure compliance with Bill S-211. The planned Supplier Code of Conduct and additional engagement with through supplier surveys and trainings underscore our dedication to upholding human rights and ethical sourcing practices. These steps form a solid foundation for ongoing compliance, and continuously improve our supply chain standards.

12. Approval and Attestation –

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 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: Tim Daniels **Title:** __Executive Chair,_____ __on behalf of the Board of Directors_____ **Company:** ___AI/ML Innovations Inc._____ **Date:** _____30.04.2024_____ **Signature:** _____ I have the authority to bind AI/ML Innovations Inc.	**Full Name:** **Randy Duguay** **Title:** ____CEO_____ **Company:** ___Health Gauge Inc._____ **Date:** _____April 30, 2024_____ **Signature:** _____ I have the authority to bind Health Gauge Inc.

13. References –

- Public Bill (Senate) S-211 (44-1) - Third reading - Fighting against Forced Labour and Child Labour in Supply Chains Act - Parliament of Canada. (n.d.). https://www.parl.ca/DocumentViewer/en/44-1/bill/S-211/third-reading

- Public Safety Canada. (2024, March 13). Forced labour in Canadian supply chains. https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-spply-chns/index-en.aspx

- Forced Labour in Canadian Supply Chains → Resources: https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-spply-chns/rsrcs-en.aspx

- United Nations: Declaration on Fundamental Principles and Rights at Work - https://www.ilo.org/ilo-declaration-fundamental-principles-and-rights-work

- Forced Labour Convention (Wikipedia) - https://en.wikipedia.org/wiki/Forced_Labour_Convention

- International Labor Organization (ILO) - https://www.ilo.org/

- International Labour Organization (ILO), Organisation for Economic Co-operation and Development (OECD), International Organization for Migration (IOM), & United Nations Children's Fund (UNICEF). https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_728062.pdf

- List of goods produced by child labor or forced labor. (n.d.). Department of Labor (United States: https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods?page=7