



Forced Labour and Child Labour Report for Drive Medical Canada, Inc.

This report is made in compliance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") by Drive Medical Canada, Inc. ("**Drive Medical**" or "**we**"). It has been prepared for the calendar year ended December 31, 2023.

Drive Medical's board of directors, as the principal governing body, approved the report pursuant to section 11(5) of the *Act* on May 10, 2024.

Who We Are: Activities and Structure

Drive Medical is a leading manufacturer of life-enhancing durable medical equipment. We offer over 3,500 products including mobility products, beds, wheelchairs, bathroom safety, respiratory equipment, pediatric rehab products, patient room equipment, personal care products, aids to daily living, and electrotherapy devices.

We have offices, warehouses, and manufacturing facilities throughout the world and a national sales force. Our customers range from home healthcare providers, healthcare distributors, long-term care facilities, government professionals, and a variety of retailers.

Our business goal is to improve our customers' quality of life. Given that we provide medical equipment, we understand the importance of offering safe, reliable products. For that reason, we prioritize high quality products from verified suppliers and supply chain transparency.

Our Supply Chains

Given the range of our product offerings and locations, we employ a complex, global supply chain. We work with more than 100 suppliers, of which the majority are based in Asia. Drive Medical understands the risk of forced labour or child labour within global supply chains, and thus have internal measures to mitigate such risks.

For our products sourced from higher-risk geographic areas, we maintain stringent and frequent supplier audits. For example, our suppliers based in China undergo regular audits that specifically assess actual or apparent instances of forced labour or child labour, among other risks in complex supply chains.

How We Work to Ensure Our Supply Chains Are Free of Forced Labour and Child Labour

Drive Medical follows the principles and guidelines of the International Organization for Standardization. As such, we have established policies and procedures in place to ensure both we, our vendors, suppliers, and service providers are complying with all applicable laws and regulations relating to human and environmental rights.

1. Our Policies, Due Diligence Processes, and Training

As part of our procurement process, we categorize prospective suppliers in varying risk categories depending on the inherent human rights and environmental risks in the products or services being procured. We then use these categories to assess our partnerships with suppliers. Drive may also conduct audits prior to selecting suppliers. Our Supplier Qualification and Performance template lays out the considerations we follow when selecting suppliers.

Drive Medical requires our vendors, suppliers, and service providers to sign our Quality Agreement. Under the Quality Agreement, we emphasize the importance of adhering to all applicable laws and regulations when manufacturing products. Our suppliers agree to adhere to generally accepted principles and rules of current good manufacturing practices, corporate social responsibilities, and all applicable laws and regulations.

The Quality Agreement prohibits suppliers from using third-parties in the manufacturing of products purchased by Drive Medical without our prior written consent. Where Drive Medical provides such consent, the third-parties or secondary suppliers are required to adhere to our policies and values and may be subject to audits as well. This provides us some visibility into potential upstream supply chains. We require that suppliers provide adequate qualification training to ensure requirements under the Quality Agreement are met.

In addition, we provide prospective suppliers with the Supplier Self Survey to ensure suppliers can meet our requirements. We review these surveys alongside supporting documentation prior to deciding whether to approve vendors and suppliers. The surveys include a specific section on social compliance and ethical sourcing regulatory requirements. Part of the Supplier Self Survey suppliers requires prospective suppliers to confirm they are compliant with ethical sourcing regulatory requirements and we require that they attach their most recent facility audit report. This allows Drive Medical to carefully assess and minimize risks of forced labour or child labour in our supply chain.

We engage in stringent audits for our suppliers from jurisdictions we previously identified as higher risk. Our audits ensure compliance with all applicable laws and regulations, and specifically include considerations relating to forced labour or child labour in our suppliers' operations. A member of our internal team performs in-person facility visits. In addition, these suppliers are in some instances required to pass an Ethical Sourcing audit conducted by a

third-party agency. These audits specifically address risks of forced, bonded, indentured, slave, and prison labour, as well as child labour and young workers.

Lastly, Drive Medical provides training to all new hires to our Sourcing team. The training covers all aspects of our Supplier Code of Conduct, which includes prohibitions against forced labour and child labour, and the supplier qualification process, including our factory audit processes and how they include elements relating to forced labour and child labour.

2. How We Monitor Ourselves and Our Suppliers

Drive Medical engages in ongoing monitoring of supplier performance. Drive Medical requires corrective action where suppliers do not meet expectations. We monitor and require evidence of implementation of any such corrective actions. In particular, we carefully monitor our whistleblower email address, factoryaudits@drivemedical.com, which is available on our Supplier Code of Conduct and distributed across our supply chain.

We are committed to mitigating the risks of forced labour and child labour in our supply chains through our supplier audits and monitoring processes. By performing regular audits on our suppliers in higher-risk geographic regions, we ensure that our reports remain up to date and effective.

How We Have Remediated Reported Risks or Use of Forced Labour or Child Labour in our Supply Chains

As of December 31, 2023, Drive Medical has not encountered situations of forced labour in our supply chains and have therefore not had to remediate such situations.

In 2023 we encountered one instance of child labour within our supply chain. The instance was addressed and remediated by immediately ceasing the work and verifying the identities and dates of birth of all other employees at that location. The hours worked were confirmed with the child worker, and salary was paid in full the next day. A health examination was arranged shortly after the instance was discovered. The child worker was then escorted to a guardian. All costs of the above corrective actions were paid by the supplier, and the company will visit the child worker once a month until the individual in question reaches the age of 16 to ensure the child is no longer participating in work and to will pay a basic salary and ensure safe living conditions.

Drive Medical then implemented further, preventative actions to prevent further instances. These actions included creating instructions on ID verification to guide all suppliers on accurately identifying the age of workers, scheduling an additional, internal audit, strengthening the annual audit to child labour and other zero-tolerance issues, and overall stressing the importance of social compliance to all of our suppliers, on a regular basis, and ensuring all suppliers understand the consequences of failing to adhere to our Supplier Code of Conduct.

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 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.

Wes Ryan
Vice President of Sales – Canada
May 10, 2024

Wes Ryan

I have the authority to bind Drive Medical Canada, Inc.