

Modern Slavery Report

Introduction

This statement sets out Founders East Capital Partners GP Inc.'s ("Founders East" or "the Company") actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year ending December 31, 2023.

As a Company that controls an operating company which distributes disposable medical supplies in Canada, the Company recognizes that it has a responsibility to take a robust approach to slavery and human trafficking.

The Company is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

1. Organizational structure, activities and supply chains

This statement covers the activities of Founders East Capital Partners GP Inc.:

Founders East Capital Partners GP Inc. is the General Partner which controls Best Buy Medical Supplies Inc. which is classified as a reporting entity under the Modern Slavery Act.

This statement covers the activities of Best Buy Medical Supplies Inc. ("BBMS" or "the Organization"):

- BBMS is a proudly Canadian Company with a mission to fulfill the trust placed in us by our customers, our partners, and our communities, as we aim to become Canada's most trusted partner in Health and Home Care.
- Our commitment goes beyond distributing top-quality products across Canada. We strive to deliver exceptional customer care every step of the way as we deliver important quality of life products to Canadians, ultimately contributing to the improvement of patient outcomes.
- Currently serving thousands of customers across different healthcare sectors including pharmacy, long term care, and primary care, BBMS is proud to offer over 16,000 products spanning across categories that include ostomy, urology, incontinence, skin and wound care, diabetes care, and medical equipment.

BBMS only conduct its business in Canada. The risk of having any slavery or human trafficking in its own business is very low.

The Organization currently operates in the following countries/regions:

BBMS only operates in Canada. We do not do any manufacturing; we are solely a distributor.

2. Policies and due diligence processes in relation to forced labour and child labour

- a. Policies:** The Organization operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Employee code of conduct** The organisation's code makes clear to employees the actions and behaviour expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain. A copy of the employee code of conduct can be requested at info@bestbuymedical.ca.
- **Supplier code of conduct** The organisation is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. The organisation works with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship. A copy of the Supplier Code of Conduct can be requested at info@bestbuymedical.ca.
- **Survey** The Organization has sent a survey to all its partners. In the Survey, Best Buy Medical Supplies partners must confirm that they have all the processes and measure in place to mitigate any risk of slavery and human trafficking, along with other ESG topics.

b. Due diligence processes:

The organisation undertakes informal due diligence processes when considering taking on new suppliers, and regularly reviews its existing supply chain. We are in the process of formally documenting our process and procedures and will ensure that child labour and slavery is considered in those as we finalize.

The parts of the business and supply chains that carry a risk of forced labour or child labour, and the steps taken to assess and manage that risk

The following is the process by which the company assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

- This year we have developed and conducted a survey of our supply chain partners in order to have a consistent understanding and baseline documentation of their self-reported answers regarding child labour, slavery and other ESG topics. As we are not a manufacturer but only a distributor and given that our employees are all in Canada and many of our partners are North American, we feel the risk is low.

High-risk activities

None identified

Any measures taken to remediate any forced labour or child labour

During the year ended December 31, 2023, the Organization did not identify any instances of forced or child labour within the Organization or its supply chains.

Any measures taken to remediate loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

During the year ended December 31, 2023, the Organization did not identify any instances of forced or child labour within the Organization or its supply chains.

The training provided to employees on forced labour and child labour

The Organisation will require all staff working in supply chain managers/HR professionals within the Organisation to complete training on modern slavery as a module within the organisation's wider human rights/ethics/ethical trade training programme. The organisation will require all staff working in supply chain managers/HR professionals to sign up to one of a number of training sessions that are being run in 2024 and/or complete an online training course by December 31, 2024.

The organisation's modern slavery training will eventually cover:

- our business's purchasing practices, which influence supply chain conditions and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline;
- how to assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available;
- how to identify the signs of slavery and human trafficking;
- what initial steps should be taken if slavery or human trafficking is suspected;
- how to escalate potential slavery or human trafficking issues to the relevant parties within the Organisation;
- what messages, business incentives or guidance can be given to suppliers and other business partners and contractors to implement anti-slavery policies; and
- what steps the organisation should take if suppliers or contractors do not implement antislavery policies in high-risk scenarios, including their removal from the organisation's supply chains.

How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

Although the Organization did not have any formal processes in place to assess its effectiveness in ensuring that forced and child labour are not being used in its supply chains, they intend to develop formal assessment procedures in 2024.

Approval

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.

Danny Morgan
Partner
May 31, 2024



***I have the authority to bind the organisation**

