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## GLOBALMED INC. D.B.A. APTYX

### *Fighting Against Forced Labour and Child Labour in Supply Chains Act Report 2023*

#### **Introduction**

This report is made pursuant to subsection 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C., 2023, c.9 (the “Act”) and has been prepared on behalf of GlobalMed Inc. D.B.A. APTYX (“GlobalMed” or the “Corporation” or “our” or “we”). As required by the Act, this report constitutes the first report prepared by the Corporation pursuant to the Act and summarizes the steps that we have taken in the financial year ended December 31, 2023, to prevent and reduce the risk that forced labour or child labour used at any step of the production of goods we import and sell in Canada.

GlobalMed does not have any subsidiaries that report under any other similar legislation. We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all of our activities. We strive to be a great place to work for our employees. We want our employees to be fully engaged with our Corporation and their contributions to be recognized and rewarded. We will therefore not tolerate forced labour, child labour, human trafficking, and any other kind of modern slavery within our operations or within our supply chain, and we are committed to taking appropriate steps to ensure that everyone who works for GlobalMed benefits from a working environment in which their fundamental rights and freedoms are respected.

This report outlines aspects of our human rights plan for the 2023 financial year. The steps taken this year include, but are not limited to, assessing the risks of forced labour and child labour in our activities and supply chains, and engaging with our supply chain partners on the issues of forced labour and child labour. Our approach to preventing modern slavery forms part of our wider corporate responsibilities. We are adopting procedures that will contribute to ensuring modern slavery does not occur in our business or supply chains. It is our expectation that organizations with whom we do business adopt policies to comply with the relevant legislation.

#### **Structure, Activities and Supply Chains**

GlobalMed is incorporated under the *Business Corporations Act* (Ontario) and has been in existence since January 1999. Our shares are not listed on any Canadian stock exchange, or any other stock exchange in the world. The entity has its registered head office located in Trenton, Ontario. In the financial year ended December 31, 2023, GlobalMed employed 197 fulltime employees in Trenton, Ontario.

We now conduct business under the name “Aptyx”. We are a medical device manufacturer, which manufactures medical plastic tubing and molded fittings for the respiratory, anaesthesia and sleep therapy markets as well as the assembly of breathing circuits.

The majority of our business comes from small and medium-sized business as well as enterprise customers. The Company selects its suppliers on the basis of reputation, among other things. Our supply chain is complex and consists of a number of suppliers globally.

GlobalMed’s procurement activities include resin manufacturers and distributors, medical component suppliers, and packaging suppliers (including corrugated cardboard, plastic bags and liners). Our products





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are packaged onsite in our manufacturing facility. We have approximately eighty (80) direct suppliers from seven (7) countries; including Germany, China, Taiwan, Turkey, United States, Mexico and Canada.

## **Policies and Due Diligence Processes**

As part of our due diligence processes, GlobalMed strives to embed responsible business conduct into our diverse range of policies both within our company and to the extent we are able to do so with respect to our supply chains. Our selection criteria for new suppliers requires that a business with whom we choose to partner must meet our standard of a reputable company. Suppliers are evaluated by our internal procurement team prior to partnership to ensure we maintain integrity throughout our supply chains to the best of our ability.

### *Employment*

We are committed to the safety and health of our employees, and we conduct our operations in compliance with applicable laws and regulations. Suppliers are expected to provide a safe working environment. Suppliers are expected to remain in material compliance with all health and safety laws applicable to the operation and use of the facilities at which products are manufactured on our behalf. Like with many global businesses, risks in our supply chain arise because of our limited visibility into our own suppliers' supply chains.

### *Supporting our people*

Our organizational code of conduct (the “**Organizational Code**”) requires all of us to act ethically and we expect employees to comply with legal requirements at all times, putting our values into practice in everything we do.

### *Training*

All employees are expected to comply with the Organizational Code. All new employees are assigned a mandatory onboarding training package. All of our training will be expanded in the fiscal year ended December 31, 2024 to specifically include legislation and compliance required awareness.

### *Further Steps*

We plan to or are in the process of taking the following steps in the future, some of which are nearly in place, and others, which will require a longer timeline, to further guard against the risk of modern slavery and trafficking. This includes:

- providing ongoing training to all procurement personnel to ensure a deep understanding of a supplier code of conduct being developed, our principles and our values;
- continuing to examine ways to improve our assessment and management of risks in various jurisdictions through awareness, training, best practices or other assistance to our employees and suppliers; and
- improving our ongoing due diligence procedures in relation to modern slavery risks in our supply chain, which includes developing a process by which we can assess and audit the compliance of our suppliers with a supplier code of conduct, and through that, compliance with the Act.

## **Assessing and Managing Risk and Remediation Measures**

We recognize that the risk of modern slavery being used in operations varies by industry and jurisdiction and that those risks are elevated in the industrial manufacturing sector. We acknowledge that the raw materials procurement process does not often take place from our direct suppliers but may occur further down the supply chain. This reduces our visibility over the raw materials used within our supply chain to





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produce components used in manufacturing. To date, we have not identified any specific instances of forced labour or child labour in its supply chain. As such, no remediation activities have been undertaken by us and no remediation measures have been taken to remediate any loss of income that resulted from measures taken by us.

### **Assessing Effectiveness**

GlobalMed engages in a process of continuous improvement, which includes, but is not limited to, periodic reviews of its policies to determine whether revisions are required, and if needed may engage third party experts to ensure both sustainable and ethical supply chains.

Additionally, GlobalMed is in the process of implementing other measures to prevent and reduce the risk that forced labour or child labour is used in our activities and supply chains. While we have not yet taken any actions to assess the effectiveness of those actions, GlobalMed intends to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains at a later stage.

We acknowledge our responsibility to combat forced and child labour and are committed to acting ethically and with integrity and transparency. We are working to put systems and controls in place to safeguard against any form of forced or child labour taking place within the business or our supply chain. As of December 31, 2023, GlobalMed has not faced situations of forced labour or child labour and has therefore not had to remedy and rectify such situations.

### **Approval and Attestation**

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of GlobalMed.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this 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: John McElroy

Title: CFO and Secretary

Signature:

A handwritten signature in black ink, appearing to read "John McElroy", written over a horizontal line.

I have the authority to bind the company.

May 30, 2024

