

Fighting Against Forced Labour and Child Labour in Supply Chains Act - 2023 Annual Report

Introduction

This report has been prepared jointly by IVC Vita Health Holdings Inc. and one of its subsidiaries, Vita Health Products Inc. (collectively, “Vita Health”) in response to the requirements of *Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“the Act”) for our financial year ending December 31, 2023 (“Reporting Period”). Vita Health Products Inc. is wholly owned and controlled by IVC Vita Health Holdings Inc. The risk of forced and child labour is managed in a coherent and consistent manner by Vita Health.

Vita Health is committed to reducing the risk of forced or child labour in our activities and supply chains. One of the highest priorities of Vita Health is to provide a safe and healthy workplace for all employees. This priority extends to human rights considerations such as the prevention of forced or child labour. Vita Health’s Standard of Conduct requires that employees perform services and produce products that reflect a high level of quality and safety and ensure that our business does not harm the environment.

Vita Health takes our commitment to human rights seriously and recognizes that slavery and human trafficking can occur in many forms: forced, bonded or indentured labour, involuntary prison labour, slavery or trafficking of persons, are not used in the organization.

Steps to prevent and reduce the risks of forced labour and child labour

In the Reporting Period, Vita Health has taken the following steps to prevent and reduce the risks of forced labour or child labour in our operations and supply chain:

- Contracting an external assessment of risks of forced labour and/or child labour in the organization’s activities and supply chains via SEDEX Members Ethical Trade Audit (SMETA);
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily via SMETA;
- Auditing suppliers via SMETA;
- Monitoring suppliers via SMETA;
- Being party to a Collective Agreement with Canadian unionized employees defining the terms and conditions of employment with focus on wage, working conditions, and hours of labour (specific to Vita Health Products Inc.); and,
- Initiating an engagement with external advisors on supply chain due diligence regulatory requirements and program support.

Over the last six years, Vita Health has participated in SEDEX Members Ethical Trade Audits (SMETA), on a limited basis, when requested by specific customers for our Canadian production facility and supplier facilities abroad. Third-party audits are not currently part of a comprehensive program; however, Vita Health is



evaluating their integration within a broader responsible supply chain due diligence program. Two SMETA Audits were completed in the Reporting Period on third-party facilities, outside of Canada, contracted or requested by Vita Health for manufacturing of various products. Additionally, all three of our parent company manufacturing sites were subject to SMETA audits in the Reporting Period. These reports were collected and reviewed by our organization. None of these audits found evidence of forced or child labour within the facility operations.

Vita Health Products Inc. is party to a Collective Agreement with Unifor 468 which is recognized as the sole and exclusive bargaining agent for all Canadian manufacturing facility employees employed in the functions of manufacturing, packaging, warehousing, distribution, maintenance and janitorial. This Collective Agreement defines the terms and conditions of employment with focus on wage, working conditions, and hours of labour.

Vita Health Products Inc. maintains a vendor evaluation and approval process to ensure the materials and ingredients used in the manufacture and packaging of their products are in compliance with Health Canada Food and Drugs Act and regulations. Materials are globally sourced primarily but not exclusively, from North America, India, and China.

In the Reporting Period, Vita Health initiated an engagement with an external advisor to address the reporting requirements of the Act and provide support in developing appropriate policies, processes, and training to prevent and reduce the risk of forced labour and child labour in our activities and supply chains. Vita Health will continue working with the external advisor through 2024 to advance progress in this area.

Organizational structure, activities, and supply chain

This report jointly covers both IVC Vita Health Holdings Inc. and its subsidiary Vita Health Products Inc. (collectively “Vita Health”) where the risk of forced and child labour is managed in a coherent and consistent manner. The financial year for both entities is January 1st to December 31st, with the current Reporting Period ending December 31st, 2023.

Structure

IVC Vita Health Holdings Inc, a Canadian federal Corporation, was incorporated July 29, 2021, with business number 785583501RC0001. The registered address of IVC Vita Health Holdings Inc. is 360 Main Street, 30th Floor, Winnipeg, MB R3C 4G1.

Vita Health Products Inc., a Canadian federal corporation, was incorporated on July 14, 2008, pursuant to section 185 of the *Canada Business Corporations Act* incorporation number 448633-1 with business number 890450661RC0002. The registered address of Vita Health Products Inc. is 150 Beghin Avenue, Winnipeg, MB R2J 3W2. The majority of Vita Health Products Inc. employees work and live in Winnipeg, MB, all of whom live in Canada.

Vita Health Products Inc. is a private company, wholly owned and controlled by IVC Vita Health Holdings Inc., that has at least \$20 million in assets, has generated at least \$40 million in revenue and employs approximately 610 employees for at least one of the two most recent financial years.

Vita Health is locally managed by two Senior executives: SVP, Head of Operations and SVP, Head of Sales & Marketing who report independently into the Chairman of the IVC Nutrition Corporation group of companies.



Neither IVC Vita Health Holdings Inc., or its subsidiary Vita Health Products Inc., reports under supply chain due diligence legislation in other jurisdictions.

Activities

Vita Health Products Inc. is wholly owned and controlled by IVC Vita Health Holdings Inc. as part of the IVC Nutrition Corporation group of companies. Vita Health Products Inc. manufactures, packages, imports, and distributes over the counter (OTC) pharmaceutical products and natural health products to the Canadian market. It provides finished goods to all major Canadian retailers in the mass market grocery, and drug channels. The company also provides contract manufacturing services for several National Brand clients and has a limited export business of natural health products currently representing less than 2 per cent of its annual sales.

In the Reporting Period, Vita Health Products Inc. sold approximately 33.9 million units of finished goods to the Canadian market.

Vita Health Products Inc. imports raw materials, bulk natural health and OTC drug products and packaged finished goods for use in their production, primarily, but not exclusively from North America, India, and China.

Vita Health Products Inc. maintains approximately 260,000 square feet of manufacturing, packaging, and distribution facilities in Winnipeg, Manitoba.

Supply Chains

Vita Health Products Inc. owns a 185,000 square foot manufacturing facility which serves as its head office and houses its manufacturing, packaging, laboratory, and administrative functions. The company also leases a 74,000 square foot Distribution facility. Both facilities are located in Winnipeg, Manitoba. It is licensed by Health Canada for the production of over-the-counter pharmaceuticals, natural health products and class A precursors. All products sold in Canada are licensed in accordance with Health Canada regulatory requirements.

The facility is focused primarily on solid dose over the counter drug and natural health product manufacturing, packaging and distribution and offers a full suite of manufacturing, packaging, and on-site laboratory capabilities.

The manufacturing facility is equipped to produce two-piece hard-shell capsules, coated and non-coated tablets, powder blends. It also has the capability of producing modified release, bilayer, and functional coat products.

The company has a full-service pharmaceutical laboratory with capabilities in analytical chemistry, microbiological analysis, environmental monitoring, and method development. The laboratory has implemented extensive equipment calibration and validation programs to ensure the integrity of the analytical results.



Raw materials including bulk dosage forms, ingredients, packaging components and sanitation supplies used in the fabrication of products are subject to a robust qualification and approval process which both investigates vendor compliance with Health Canada regulatory requirements as well as compliance of the materials to preapproved specifications. Materials are sourced primarily, but not exclusively from North America, India, and China.

In the Reporting Period, Vita Health Products Inc. serviced 38 customers with 182 unique ship-to locations distributing product to all provinces across Canada with the exception of Prince Edward Island and the three territories. We have a limited export business of one product to Israel. For both inbound and outbound freight, Vita Health Products Inc. utilizes a variety of transportation modes including road, rail, air and boat.

Policies and Due Diligence Processes

In the Reporting Period, Vita Health did not have policies and due diligence processes specifically addressing forced labour and/or child labour.

Roles and Responsibilities

Responsibilities over supply chain and modern slavery risks are shared across various roles and governance structures including designated employees within the Supply Chain function, Executive Team, and Board of Directors.

IVC Vita Health Holdings Inc. and its subsidiary Vita Health Products Inc. is locally managed by two Senior executives: SVP, Head of Operations and SVP, Head of Sales & Marketing who report independently into the Chairman of the IVC Nutrition Corporation group of companies and who act as Directors for both IVC Vita Health Holdings Inc. and its subsidiary Vita Health Products Inc.

Risk Assessment Process

In the Reporting Period, Vita Health Vita Health had not yet started the process of identifying parts of our activities and supply chains that carry a risk of forced and child labour. Vita Health is not aware of any risk of child labour or forced labour in its activities or supply chains.

Remediation Measures

In the Reporting Period, Vita Health had not established measures to remediate any forced labour or child labour in the company's business or supply chain. To date, Vita Health has not received any complaints relating to forced labour or child labour in our operations or supply chain, and as such has not taken any remediation measures or remediation of loss of income to families as a result of forced labour or child labour.

Employee Training

In the Reporting Period, Vita Health had not yet developed and implemented a specific training module on forced labour and child labour.



Assessing Effectiveness

In the Reporting Period, Vita Health had not yet established a program to measure the effectiveness and track our success in preventing and reducing risks of forced labour and child labour in our activities and supply chains.

With respect to supplier monitoring and audits, Vita Health participates in SMETAs, on a limited basis, when requested by specific customers. Third-party audits are not currently part of a comprehensive program; however, Vita Health is evaluating their integration within a broader responsible supply chain due diligence program. None of the SMETA audits completed in the Reporting Period found evidence of forced or child labour within the facility operations.

Approval and Attestation

This Report was approved by the Board of Directors of IVC Vita Health Holdings Inc. on May 01, 2024.

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.

Signature:

Stephanie Haverstick

Company name: IVC Vita Health Holdings Inc.

Responsible Person Full name: Stephanie Haverstick

Title: Senior Vice President, Head of Operations

Date: May 01, 2024

I have the authority to bind IVC Vita Health Holdings Inc.