



Annual Report Concerning Forced Labour in Canadian Supply Chains

Prepared pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act")

1. Introduction

LifeLabs has taken proactive steps to address the critical issues of forced and child labor within its supply chain. Recognizing the universal challenge posed by these unethical practices, LifeLabs conducted thorough audits of its vendors and contractors throughout 2023 and early 2024 through a series of vendor questionnaires. These questionnaires were part of a comprehensive strategy to enhance sustainable procurement policies and training programs. By doing so, LifeLabs aims to ensure that its supply chain adheres to the highest standards of social and environmental responsibility.

The company's efforts align with the requirements of the Act, which mandates transparency and accountability in supply chain management. LifeLabs' inaugural annual report on this matter serves as a testament to its commitment to ethical business practices and the betterment of industry standards.

This is a joint report submitted by **LifeLabs LP** on behalf of **LifeLabs LP** and **LifeLabs BC LP** for the financial year ending **December 31, 2023**. It is the first report prepared pursuant to the Act.

2. Steps Taken in 2023 to Reduce Forced Labour Risk

LifeLabs has demonstrated a commitment to addressing Environmental, Social, and Governance (ESG) risks by actively engaging with their vendors to ensure responsible practices. Our approach includes a comprehensive Environmental Policy that emphasizes proactive risk assessment, continuous improvement, and the integration of environmentally preferred practices. Furthermore, LifeLabs' annual reporting, guided by the Global Reporting Initiative (GRI) standards, reflects their dedication to transparency and accountability in ESG factors. This level of scrutiny and engagement with their supply chain is indicative of LifeLabs' efforts to foster a sustainable and ethically responsible business model. By asking ESG-related questions across various platforms, LifeLabs not only adheres to regulatory requirements but also aligns with broader societal expectations for corporate responsibility. Our actions serve as an example for other organizations to follow in the pursuit of a healthier environment and a more equitable society.

LifeLabs has taken the following steps:

1. RFP Questionnaire

LifeLabs has demonstrated a strong commitment to corporate responsibility and ethical business practices by incorporating health, safety, environmental, and sustainability questions into their Request for Proposal (RFP) questionnaire and has done so for over five years.

A recent update was made to include additional inquiries about social policies like forced labor and reflects a progressive approach to vendor assessment. This comprehensive questionnaire, consisting of 89 detailed questions, is a mandatory step for all potential and returning vendors seeking to engage in new projects or submit bids with LifeLabs. Such thorough due diligence ensures that vendors align with LifeLabs' high standards and values, fostering a responsible and sustainable supply chain.

RFP Questions:		Social and Governance	
Pick and choose which ones to include depending on the RFP (service vs. instrument)			
C = Critical Requirement, D = Desirable, I = Information Needed			
Organizational H&S and Training			
1.00	Is your organization compliant to Health & Safety legislations?		I
2.00	Is your organization ISO 45001 certified?		D
3.00	Is health and safety training provided to LifeLabs employees by supplier?		D
4.00	How does your organization support a safe work environment for your employees?		I
5.00	The supplier shall also disclose any action or resolution taken to rectify these problems		I
6.00	The supplier shall disclose any recalls, device alerts, hazard notifications or technical bulletins		C
7.00	Have you performed a safety hazard risk assessment on this instrument? If so, please provide a copy		D
Physical Instrument Design & Operation			
8.00	Please indicate recommended Personal Protective Equipment (PPE) for regular operation of instrument		D
9.00	Does instrument have any sharps, pinch or poke hazards (ie, probes, piercers, and/or robotic arms). Please specify how many and where they are located		I
10.00	Are the sharp, pinch, or poke hazards guarded at all times? If not, identify how many hazards are unguarded and where		I
	Does instrument prevent users from accessing internal compartments when		I
85.00	Does your organization use any forced labour or child labour, as described as: forced labour means labour or service provided or offered to be provided by a person under circumstances that (a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service; or (b) constitute forced or compulsory labour as defined in article 2 of the Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930.		I
86.00	Do any organizations in your supply chain use the aforementioned, or if not known, is there and risk of the aforementioned in your supply chain?		I
87.00	Does your organization have a Sustainable Procurement Policy?		I
88.00	Does your organization train its employees on forced labour or the broader scope of ethics?		I
89.00	How your organization can validate the above information (auditing or equivalent)		I

Picture 1: Snapshot of RFP Questionnaire inquiries

2. Sustainable Procurement Questionnaire

In recognizing the fact that not all current vendors have engaged in the RFP process in the past 5 years, LifeLabs' drafted a comprehensive Sustainable Procurement Questionnaire in 2023 and released it to all active vendors in January 2024. This mandatory survey addressed critical areas on forced and child labor, environmental sustainability, ethics, greenhouse gas emissions, health and safety, business continuity, and privacy and information security. The survey included a requirement to provide detailed explanations when responses did not meet LifeLabs standards or regulatory requirements and recommendations, which ensures accountability and transparency of our vendors.

LifeLabs has received 308 responses to this survey in 2024, with over a quarter of active vendors having responded. The pursuit of a 100% completion rate is an ambitious goal that reflects LifeLabs' commitment to corporate social responsibility and sustainable development.

The integration of this survey into the vendor setup process solidifies its ongoing importance in LifeLabs' operational framework, paving the way for continuous improvement and adherence to ethical practices in the supply chain on a continual basis.

The image displays a four-page snapshot of the Sustainable Procurement Questionnaire. Each page features the LifeLabs logo and specific sections of the survey. The first page is the 'Sustainability Procurement Survey' introduction, followed by 'General Questions/General Questions' and 'Company Name'. The second page contains questions Q1 through Q3, including a percentage-based question (Q1) and a forced labor question (Q3). The third page includes questions Q4 through Q6, covering environmental, social, and governance (ESG) topics and carbon footprint commitments. The fourth page contains questions Q7 through Q9, focusing on greenhouse gas emissions, business continuity, and further emissions reduction projects.

Picture 2: Snapshot of Sustainable Procurement Questionnaire

LifeLabs incorporated the above into an existing standard operating procedure (SOP): EHS Risk Assessment for Vendors, Equipment, and Analyzers. By integrating mandatory questionnaires and requirements into the above-mentioned SOP, we have established a more robust framework for vendor engagement. This evolution of the SOP, particularly since 2024, underscores the importance of thorough vetting processes and the need for transparency in vendor interactions. The inclusion of detailed questions, the timing of inquiries, and the assignment of review responsibilities are critical components that contribute to the overall integrity of LifeLabs' operations. Furthermore, the comprehensive training provided to multiple departments signifies an organization-wide commitment to these enhanced procedures, ensuring that all relevant personnel are informed and aligned with the updated protocols.

EHS RISK ASSESSMENT FOR VENDORS, EQUIPMENT and ANALYZERS

PURPOSE

The purpose of this SOP provides a framework for LifeLabs Sustainable Procurement Policy. The procedure outlines how Environment, Health, Safety, and Sustainability risks are evaluated with respect to managing the purchase of equipment and/or analyzers, and the selection of vendors and suppliers within LifeLabs supply chain network.

What is a Risk Assessment?
A risk assessment is a process of identifying hazards that could negatively affect an organization's ability to conduct business. Risk Assessments are conducted to identify health and safety risks and environmental, social, and governance (ESG) impacts, and to ensure regulatory compliance concerns are captured and mitigated.

ROLES & RESPONSIBILITIES

Department	Roles and Responsibilities
EHS	Complete EHS risk assessments where deemed necessary Work with projects teams to obtain information once assigned to a project Review all Sustainable Procurement Questionnaires (screening) and EHS RFP Questionnaire responses (evaluation) for completeness while identifying areas for improvement and acting on set areas accordingly.
Lab Ops Capital Projects ePMO	Inform EHS team of any impending equipment or analyzer replacement projects and follow EHS risk assessment recommendations if and where made both prior to install and afterwards. Procurement to handle Sustainable procurement Questionnaire where new vendor is onboarded.
Procurement	Ask and obtain responses to Sustainable Procurement Questionnaire and EHS RFP Questionnaire to vendors and contractors and provide obtained info to EHS team when available.

EHS RISK ASSESSMENT FOR VENDORS, EQUIPMENT and ANALYZERS

PROCEDURE

Assessing Risk

The level of risk must be assessed before purchasing a piece of equipment/analyzer and before finalizing a vendor of choice.

The following must be completed to assess level of risk:

	Completed by:	When:
EHS Risk Assessment	EHS	New or replacement equipment and analyzers that are sourced for use at LifeLabs facilities
EHS Request for Proposal (RFP) Questionnaire	Vendors	New equipment being considered during the Request for Proposal process
Sustainable Procurement Questionnaire	Vendors	New vendors setup with LifeLabs and additionally as required

Contact the EHS team at EHS@lifelabs.com to initiate a risk assessment or to review vendor questionnaire answers.

EHS Risk Assessments

Process flow outlining when an EHS Risk Assessment may be required:

Approved by: Director EHS Region: National Effective: 4/22/2024 EHS Section 8 Doc #: 24342 Ver #: 2.0
Reviewed Annually. Printed copies are controlled. Check on Paradigm to ensure this is the latest version. Page 1 of 6

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Reviewed Annually. Printed copies are controlled. Check on Paradigm to ensure this is the latest version. Page 2 of 6

Picture 3: Snapshot of first 2 pages of revised above mentioned SOP

LifeLabs Environment and Sustainability team's diligent review process has not revealed any instances of forced or child labor to date.

This proactive stance ensures that, should any risks be identified, there is a collaborative strategy in place with the Procurement and Strategic Sourcing team to address and mitigate such concerns. Our commitment to ethical practices not only reflects the organization's values but also reinforces the importance of transparency and responsibility in corporate operations.

3. Structure, Activities and Supply Chains

LifeLabs LP and LifeLabs BC LP are the main operating entities and are organized as limited partnerships that are managed by their respective general partners, LifeLabs Inc. and LifeLabs BC Inc (collectively, LifeLabs). LifeLabs has approximately **6,700 employees** with a Board of Directors (Board) that oversees the operations of LifeLabs. LifeLabs is controlled by a sole shareholder. The Board has delegated certain authority to the Chief Executive Officer (CEO) and other management personnel pursuant to a delegation of authority.

LifeLabs performs essential diagnostic laboratory and related services. By collecting human specimens and conducting diagnostic tests, LifeLabs delivers critical information that aids healthcare providers in making healthcare decisions.

Our vision, purpose, and strategy are centered around our customers, who provide a compass for how we deliver our services, how we'll innovate for tomorrow, and how we add value to the Canadian health care

system. Our vision of “empowering a healthier you” infuses our work with meaning and guides our purpose “to make diagnostic insights accessible so that our customers are empowered to make choices to live their best lives.

Our supply chain is **98% Canadian**, and only **2% percent American based** (20 active companies non-Canadian). Some of our vendors may have affiliations or other offices internationally, however the entities LifeLabs deals with are based out of Canada or USA. As a service provider, LifeLabs does not manufacture or sell goods, but rather provides a service within Canada. Our supply chain is used to purchase goods to facilitate diagnostic testing and all associated tasks, and include all equipment and materials needed in our processes.

4. Policies and Due Diligence Processes

LifeLabs’ Environment and Sustainability team aligned with the intentions of the *Responsible Business Conduct* (RBC) when revising the SOP: EHS Risk Assessment for Vendors, Equipment, and Analyzers, as well as for the development and process of both the RFP Questionnaire and the Sustainable Procurement Questionnaire.

LifeLabs demonstrates a commitment to sustainability and ethical practices by engaging with vendors on social and environmental issues. The approach is both informative and non-disruptive, prioritizing education and awareness in the supply chain. By providing resources and guidance only when necessary, LifeLabs ensures that vendors are supported in aligning with relevant causes and regulations, fostering a collaborative and progressive business environment.

LifeLabs Environment and Sustainability team's diligent review process has not revealed any instances of forced or child labor to date.

LifeLabs' commitment to environmental sustainability is evident in our rigorous tracking of vendor responses and the integration of the Sustainable Procurement Questionnaire for all new vendors. This proactive approach ensures that environmental standards are upheld and that any potential issues are addressed through educational engagement with vendors. The absence of red flags related to forced labor is a positive indicator, while the ongoing communication efforts reflect a dedication to continuous improvement and responsible environmental practices.

The Act mandates Canadian businesses to report annually on measures taken to prevent forced and child labour in their supply chains. The reports, which are required to be public, will detail the percentages of identified impacts and remediation efforts without disclosing company names. This report aims to enhance transparency and accountability in business practices, ensuring that companies are actively working to eradicate exploitative labour practices from their operations.

5. Forced Labour and Child Labour Risks

LifeLabs has implemented a Sustainable Procurement Questionnaire for all active vendors to address the risk of forced or child labor in the supply chain. This initiative included creating the (SOP): EHS Risk Assessment for Vendors, Equipment, and Analyzers to ensure accountability. The company will conduct

internal audits through the LifeLabs Environment & Sustainability team, reviewing policies and training information provided by vendors. Importantly, all vendor responses will be directly linked to the respective vendor, ensuring transparency. Additionally, vendors are being queried on their employee training regarding forced labor and their overall ethical stance, including procedures and training. This approach aims to foster greater accountability and ethical practices within the supply chain.

Maintaining a predominantly Canadian supply chain minimizes risk exposure, but it's recognized that risk cannot be entirely eradicated. Hence, Environmental, Social, and Governance inquiries via our questionnaire processes are extended to all suppliers, regardless of their origin. Engagement with non-Canadian suppliers is ongoing, with a quarter having responded to the Sustainable Procurement Questionnaire. Efforts are being made to reach out to the remaining companies to ensure comprehensive participation. This approach reflects a commitment to thorough risk management and responsible corporate practices.

6. Remediation Measures

It's commendable that LifeLabs' supply chain has shown no evidence of forced or child labor. However, the identified lack of awareness and training among vendor employees is a critical area for improvement. By enhancing standard operating procedures, asking the right questions, and fostering open communication between teams, LifeLabs can significantly improve awareness. This proactive approach is likely to lead to better training programs for vendor employees, ensuring ethical practices and compliance throughout the supply chain.

7. Remediation of Loss of Income

None of LifeLabs' current vendors have responded acknowledging existence of forced labour, and as a result LifeLabs has not currently taken any measures to remediate any loss of income to the most vulnerable families. Addressing forced labor is a critical and complex issue that requires a multifaceted approach. It involves not only acknowledging its existence but also implementing effective measures to prevent and remediate it.

LifeLabs regularly participates in charitable donation matching programs, fundraisers, and other social causes, and recognizes the broader impact on individuals and families who may lose income as a result of these necessary interventions and is committed to explore ways to support them through the transition should this arise in the future.

8. Training

Employees received training on forced labour and child labour through the distribution and publication of the (SOP): EHS Risk Assessment for Vendors, Equipment, and Analyzers which included the following LifeLabs' departments:

- Environment, Health, Safety, and Sustainability
- Procurement and Strategic Sourcing
- Operational Excellence

- Laboratory Operations
- Quality and Regulatory Affairs

The training highlights the key portions, and key definitions such as *forced labour* and *child labour*, as described in the Act.

9. Assessing Effectiveness

The internal audit of vendor responses by the Environment and Sustainability team reflects a proactive approach to understanding and addressing social issues within the supply chain. By selectively reviewing policies and responses, particularly where there is ambiguity in the comprehension of forced and child labor, the team is able to pinpoint areas needing clarification or further education. The trust placed in vendors is significant, yet it is balanced with a methodical inquiry into ethics, employee training, and sustainability practices. This strategy not only fosters trust but also encourages a deeper awareness and responsibility towards ethical practices among vendors.

Respondents to our questions largely said they trust their vendors – 65.7%, 2.1% use external software companies to audit vendors on forced/child labour, 16.89% use external auditing, and 15.3% said they cannot validate.

10. Approval and Attestation

This report has been approved by the Board of Directors and the CEO is authorized and directed to sign on behalf of LifeLabs LP and LifeLabs BC LP.

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.

LIFELABS LP
BY ITS GENERAL PARTNER, LIFELABS INC.

Per: 

Name: Charles Brown

Title: President and CEO

Date: May 31, 2024

I have the authority to bind LifeLabs LP