

2023 Sekisui Diagnostics P.E.I. Inc. Report on Fighting Against Forced Labour and Child Labour in the Supply Chains Act

Published: May 31, 2024

Introduction

This report outlines Sekisui Diagnostics P.E.I. Inc.'s response to the requirements under the Canada's Fighting Against Forced Labour and Child Labour in the Supply Chains Act (the "Act") for fiscal year ending March 31, 2024.

Sekisui Diagnostics P.E.I. Inc. ("Company" "we" "our") acknowledges the risks associated with Forced Labour and Child Labour and recognizes that it is our responsibility to protect human rights of all individuals affected by our business activities including our operations and supply chains. We are committed to maintaining high ethical standards as part of Environment, Social and Governance (ESG) management.

Structure

Sekisui Diagnostics P.E.I. Inc. located in Charlottetown, Prince Edward Island, Canada, is a wholly owned subsidiary of Sekisui Diagnostics, LLC headquartered in Burlington, MA USA. Sekisui Diagnostics, LLC's Human Rights Policy, Basic Procurement Policy and corporate compliance provisions are guided by its parent company, Sekisui Chemical Co., Ltd.

Activities and Supply chain

Sekisui Diagnostics P.E.I. Inc. is the manufacturer and developer of in-vitro diagnostics products, focused on bringing general and specialty clinical chemistry reagents to diagnostics manufacturers and clinical laboratories worldwide. The site in Prince Edward Island, Canada is ISO 13485 compliant with quality system including supply chain management. As of March 31, 2024, the Company employs 199 people within our Canadian operations.

The Company procures raw materials, diagnostics enzymes, and chemicals predominately from Canada, United States and Japan. Secondary materials of plastic bottles and paper/paperboard are sourced from suppliers located in Canada and United States, typically close in geographic proximity to our manufacturing location in Prince Edward Island.

As defined in our quality management process, materials, components, parts and other items that are incorporated into the company's finished products, and product or compliance related services may only be purchased from approved suppliers and sub-contractors as listed in the Approved Supplier List.

Our Policies and Due Diligence Process

Policies

The Company implements the following policies to mitigate the risk of forced labour and child labour in its business and supply chains:

- *Code of Conduct*

We share an ongoing commitment to conduct our global business according to the highest legal and ethical standards, and to continually pursue excellence in the development and delivery of our products and services. Our Core Values describe how we uphold our commitment to business and personal integrity.

- *Human Rights Policy*

Our promise to respect human rights, in order to fulfill our responsibilities to all stakeholders, based on our Corporate Philosophy and Group Vision. To that end we support and respect the United Nations International Bill of Human Rights (specifically the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), which sets out the basic human rights of every individual.

- *Supplier Code of Conduct*

Details how our supplier conducts its business in compliance with all applicable laws and regulations and in conformity with the highest ethical standards. Supplier is required to establish a system for recognizing and preventing risks related to violation of laws, regulations, and social norms, including a method for internally or externally reporting any such violations. Supplier commits to conduct business with the Company honestly and transparently, to honor its business obligations, and to manage unanticipated events in a proactive, timely, and open manner.

Due Diligence Processes

The Company mitigates the risk of forced labour and child labour in its business and supply chains through various due diligence processes.

As part of its standard recruitment and hiring process, the Company conducts background checks and verifies identification for every prospective employee. All new employees train on the Company's Code of Conduct as part of their onboarding. Annually, all employees are required to review and acknowledge Code of Conduct along with the Company's Compliance hotline training.

For suppliers and service providers due diligence processes to reduce the risk of forced labour and child labour in the supply chain, are required to be on the Approved Supplier List before any transactions. Included in the assessment are:

- Suppliers are screened against Denied Parties List
- Suppliers must complete a Supplier Self Evaluation Questionnaire
- Supplier must acknowledge Supplier Code of Conduct
- Regulatory evaluation of supplied materials for Conflict Minerals

- Annually, each supplier is assessed based on a risk rating system

Separately, authorized distributors of the Company's products located outside of the United States and Canada are required to certify annually, that they remain compliant with the Company's Anti-Bribery, Foreign Corrupt Practices and Anti-Slavery Act.

Risk Assessment

The Company assesses the forced labour and child labour as part of the Sekisui Diagnostics Group's Risk Management program set forth by the parent company, Sekisui Chemical Co., Ltd. Each subsidiary assesses the risk based on their industry and where business is transacted. As part of a highly regulated industry of medical devices with stringent quality and business practices we believe that the use of forced labour and child labour is not a high risk.

We acknowledge that we have the responsibility to engage with our suppliers to identify potential risks of forced labour and child labour in the supply chain. As part of the Sekisui Chemical Co., Ltd. CSR Procurement program, we have initiated the process to improve our risks in our supply chain by engaging in research, reviewing our supply chain against publicly available information and seeking feedback through supplier questionnaires specific to human rights, labour practices, conflict minerals and deforestation.

Remediation Measures

Sekisui Diagnostics P.E.I. Inc. and the Sekisui Diagnostics Group have not identified any instances of forced labour and child labour within our operations, distributors or supply chain during fiscal year 2023, no remediation measures were required.

Employee Training

The Company requires all new employees to train on the Company's Code of Conduct as part of the onboarding process. Annually, all employees review and acknowledge the Code of Conduct along with our Compliance Hotline training. The Company has an online Human Rights training module that is available to all employees and is mandatory for certain groups of employees every year.

Assessing Effectiveness

As part of our ESG management, we monitor compliance with our policies on an ongoing basis. We review any concerns raised through our Compliance Hotline, internal methods or feedback to assess our effectiveness in preventing and mitigating the risks of forced labour and child labour.

Through our quality management process, all suppliers on our Approved Supplier List (the "ASL") have reviewed and acknowledge the Sekisui Diagnostics Supplier Code of Conduct. Only products and services can be procured from suppliers listed on the ASL.

Sekisui Diagnostics Group has been awarded the Silver medal for our 2023 sustainability performance by EcoVadis, a provider of business sustainability ratings, evaluating companies around the globe based on environmental, social and ethical performance. It is based on international sustainability standards, such as Global Reporting Initiative (GRI), United Nations Global Compact (UNGC), and ISO 26000. The covered topics include the Environment, Labour & Human Rights, Ethics and Sustainable Procurement.

Approval and 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 this Report for Sekisui Diagnostics P.E.I. Inc. Based on my knowledge, and having exercised reasonable diligence, I attest that the information on this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Sekisui Diagnostics P.E.I. Inc.

Signature *Lee A. Lipski*

Name *LEE A. LIPSKI*

Title *SENIOR VP, STRATEGY AND BUSINESS MGT*

Date *29-MAY-2024*