Kane Biotech Inc

Fiscal 2024 Forced Labour and Child Labour Report

Reporting year: January 1, 2024, to December 31, 2024

This report is issued in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act. It sets out the steps that Kane Biotech Inc. ("Kane", "Kane Biotech", and "Company") has taken to understand and mitigate forced labor and child labor in their business and supply chain during the fiscal year referenced. The actions described in this report outline the efforts to assess and manage these risks, and where appropriate, engage suppliers in remediation and continuous improvement.

Kane's Commitment

As *The Biofilm* company, our business touches numerous people in North America. We believe in protecting the rights of the individuals who work in our business, either directly or indirectly, through the suppliers that provide us with products and services. Modern slavery – including but not limited to forced labor and child labor – and human trafficking are therefore contrary to our beliefs. We commit to ensuring slavery or human trafficking is not utilized in the development and manufacture of our products or in those of our suppliers and subcontractors by taking a proactive stance to support and respect the protection of internationally proclaimed human rights, and to guard against being complicit in human rights abuses. We also commit to encouraging our suppliers and business partners to adopt a similar approach and confirm they operate in a manner that demonstrates respect for people and upholds their rights.

We hold ourselves to the high standards and expect Kane employees, contract workers and members of the boards of directors of Kane Biotech Inc. and all its subsidiaries to act with integrity and always comply with the letter and spirit of the laws, regulations and rules that apply to Kane in the jurisdictions where we operate. Where instances become apparent that our expectations are not met, we will review and respond accordingly.

Structure, Operations and Supply Chain

Our Structure

Kane Biotech is a biotechnology company headquartered in Winnipeg, MB Canada, engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms. The Company has a portfolio of biotechnologies, intellectual property (50 patents and patents pending, trade secrets and trademarks) and products developed by the Company's own biofilm research expertise and acquired from leading research institutions.

Kane satisfies the definition of an Entity within the Act as and is listed on the TSX Venture Exchange under the symbol "KNE" and on the OTCQB Venture Market under the symbol “KNBIF. Kane has a place of business in Canada, conducts business in Canada and has assets in Canada.

Corporate governance of Kane Biotech is overseen by the Board of Directors headed by the Executive Chair and is comprised of both independent and non-independent directors including the President and CEO of the company. The Board of Directors meets on a regular basis, not less than four times per year.

Our Operations

Management and staff adhere to prescribed procedures and practices aligned with their operating role. Each employee is expected to foster a healthy working environment. Kane’s Code of Ethics rests on the principles of responsibility, professionalism, respect, integrity, and teamwork. This must be followed by all employees. With the current corporate focus as a designer, developer and manufacturer, management at Kane is committed to the development and implementation of the quality management system and maintenance of its effectiveness by a) communicating to the organization the importance of meeting customer as well as applicable regulatory requirements; b) establishing the quality policy; c) ensuring that quality objectives are established; d) conducting management reviews and e) ensuring the availability of resources.

As a Research and Development (R&D) company, Kane Biotech adheres to sound scientific principles and documentation. As a medical device company for these products, Kane is involved in design, and development of non-sterile medical devices and device/drugs/biologic combination products and associated manufacturing processes. Its practices meet or exceed the requirements of ISO 13485:2016 Quality Management Standards for Medical Devices, 21 CFR 820 (US FDA) and SOR/98-282 (Health Canada) with respect to medical device design development and manufacture.

Contract Manufacturing Services (2024)

During 2024, Kane Biotech provided transitional contract manufacturing services for the purchaser of STEM Animal Health, a subsidiary of Kane Biotech sold April 2024. Manufacturing facilities were located off-site, and operations were overseen in collaboration by Kane Biotech’s Chief Quality Officer and Supply Chain Planning Manager.

Our Supply Chain

Kane Biotech relies on a variety of suppliers and service providers to conduct its research and development activities, as well as the manufacture and distribution of its commercial medical devices. We procure goods and services from several suppliers, predominantly located in North America.

Aligned with the requirements of ISO 13485:2016 Quality Management Standards, Kane has implemented a robust vendor evaluation management program implemented for its current products which includes for critical and key suppliers the requirements to complete a questionnaire and the implementation of quality agreements in the case of key service providers. Purchasing procedures are in place to ensure that purchased components conforms to specified purchasing information and provide assurance that services are conducted in accordance with Kane's and specified regulatory requirements. Kane monitors the performance of the supplier and uses this input as part of a periodic re-evaluation process. Non-fulfillment of purchasing requirements is addressed with the supplier in a manner proportionate with the risk associated with the purchased product and compliance with regulatory requirements. Records of this process are maintained as quality records.

Examples of our main types of vendors and suppliers include:

Excipient and Active Pharmaceutical Ingredient ("API's") Suppliers
These suppliers supply excipients (non-active ingredients) that are used as buffers, preservatives, filters, stabilizers and APIs both integral for research and development projects.

Packaging & Laboratory Consumable Suppliers
These suppliers provide packaging materials such as bottles, jars, vials, labels and laboratory equipment such as slides, trays, filters. These are used for assessment and testing purposes during the research and development process.

Contract Manufacturing Organizations
Specialize in the manufacturing and production of our medical devices. Procurement of the required components and raw materials for manufacture are conducted via their supply chain.

Service Providers
These entities include testing laboratories and repair/calibration suppliers and are essential for assessing research and development samples, providing stability and transportation studies on proposed projects and commercialized medical devices and ensuring that laboratory equipment is properly calibrated.

Logistics and Distribution Providers
Logistics and distribution service providers are used to transport finished devices to distributors and other contract manufacturing organizations employed.

Research Organizations

Kane often collaborates with research centers, academic organizations and contract research organizations. These partners participate in research and development as well as clinical studies on new products.

Policies and Due Diligence Processes

Policies

Kane Biotech shares global concerns related to the fair and equitable treatment of all peoples. We adhere to the Canada Labour Code to protect the rights and well-being of our employees.

We believe that good governance is the essential foundation of a respectful and inclusive corporate culture that earns trust from and builds value for our patients, stakeholders, employees, regulators, communities, and shareholders. The Governance Committee of the Board of Directors of Kane Biotech continue to (i) develop and recommend governance frameworks, principles, and policies to the board; (ii) oversee environmental, social and governance (ESG) matters; and (iii) monitor developments in corporate governance and adapting best practices. More specifically, the Governance Committee is also responsible for reviewing the corporate citizenship strategy including those in respect of human rights.

Kane Biotech believes in the value of all individuals and their inalienable rights as represented in the United Nations' Universal Declaration of Human Rights, the principles defined in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and other ethical standards that promote respect for people everywhere, without discrimination, in whatever capacity they are connected to our business. This includes measures aimed at reducing forced or involuntary labor.

Forced Labour: We do not use forced labor, debt bondage, long-term indentured labor, or involuntary prison labor, and we do not engage in human trafficking or any other form of modern slavery. No worker is required to pay for employment or is deprived of freedom of movement.
Child Labour: We do not employ any peoples under the age of provincial majority.

Kane Biotech strives to conduct operations in a manner that promotes the safety and protection of human rights, embracing a diverse and inclusive workforce, and avoid any complicity in forced labor, child labor, exploitation, trafficking, physical punishment, unfair work hours or compensation, limits to freedom of association or other human or labor rights violations. We do not tolerate discrimination on the basis of race, color, religion, disability, national origin, age, sexual orientation, gender, gender identity and expression, marital status, citizenship status or any other characteristic of diversity.

Kane Biotech's Board of Directors has enacted a Whistleblower Policy to encourage and promote a corporate culture of ethical business conduct.

Due Diligence

To counter the risks of forced labour and child labour in our supply chain, we have established a Supplier Code of Conduct which sets forth the expectations that vendors, suppliers and subcontractors are expected to comply with to do business with us. Kane Biotech's Supplier Code of Conduct explicitly prohibits the use of forced and child labor. It also informs suppliers and vendors that we will not conduct business with any entities involved in these unethical practices and sets forth expectations should these practices be encountered in their supply chain.

Furthermore, we have established a Supply Chains Act Questionnaire ('Questionnaire'), an internal assessment whereby the vendors and suppliers with whom we do business are vetted for the potential risk they pose as it relates to forced labour and child labour in their supply chain.

All existing vendors and suppliers that supply Kane Biotech with goods have been assessed and have been provided with a copy of our Supplier Code of Conduct. These documents have been identified as a mandatory requirement for supplier and vendor onboarding. This document has been integrated into our Quality Management System.

Supply Chain Risk Assessment

Industry of Operation

Kane operates with the Health Care and Pet Grooming product industries which are associated with a minimal risk of child labor or forced labor according to the two indices. Given the level of regulation in the biopharma sector in which we operate, we believe the risk of forced and child labour to be minimal. Our vendors and suppliers of goods comprises only twelve percent (12%) of our total vendor portfolio. Traceability of goods procured is a key component of our Quality Management System and the industry relies on specialized skilled employees, both which further reduce the risk. We do, however, acknowledge that our most significant risk is that forced, or child labor could occur without our knowledge in violation of our policies in upper tiers of the supply chain, from which we may be several levels removed.

Goods Procured

Based on The List of Goods Produced by Child Labor or Forced Labor by the US Department of Labor Bureau of International Labor Affairs, as of September 5, 2024, there are no materials acquired by Kane or its related companies determined to be under high-risk category. As the majority of components used in operations are sourced from Canada and/or the US, the overall potential risk is significantly reduced.

Excipients, API suppliers, Packaging and Laboratory Consumables

Our annual spend in this category is less than 2% of our overall spend.

- Less than 1% of suppliers are geographically headquartered in China. The suppliers located in China were employed as part of our 2024 internal CMO operations and relationships with these suppliers will not continue in 2025 and beyond. Upon assessment, no instances of forced or child labour were found.
- The balance of suppliers in this category are geographical headquartered in North American, 78% in USA and 21% in Canada. All purchases are traceable and accompanying documentation is recorded in our Quality Management System. Thirty percent (30%) have a recognized gold or higher EcoVadis rating. Suppliers were assessed for their procurement practices using the Supply Chains Act questionnaire and were low risk for forced or child labour and no instances were found.

Kane recognizes that our immediate suppliers in this category represent just the first level of a much larger, multi-layered supply network. Kane will continue to monitor social media presence and quality certifications of these suppliers to ensure continued compliance at the lower tier levels

Service Providers

All suppliers in this category operate within North America and provide a service versus a tangible good. They were assessed for their employment standards using the Questionnaire and were deemed to follow the labour laws for their country. No instances of forced or child labour was found.

Contact Manufacturing Organizations

Suppliers in this category operate in Canada, USA and Europe. They were assessed using the Questionnaire and their procurement practices reviewed. Twenty-five percent (25 %) hold a Silver EcoVadis rating.

We recognize that these suppliers internally procure materials for the commercialization of our medical devices and will continue to monitor social media presence and quality certifications of these suppliers to ensure that they are not engaging in procurement practices in countries with a high risk of forced or child labour.

Logistic and Distribution Providers

These suppliers comprise less than 0.5% of our annual spend. Headquartered and serviced in North America, their social media presence was assessed and their operations reviewed. No instances of forced or child labour were found.

Research Organizations

The entities that fall into this category include consultants and medically trained professionals or institutes. The service that they provide is integral to support Kane Biotech's continued research and development practices. They were not assessed with the Questionnaire; however, each entity or individual is skilled in their field and unlikely to be involved in forced or child labour. We will continue to monitor these business relationships for risks in this area.

Remediation of Forced & Child Labour

We have not identified any cases of child labour or forced labour being used in our activities and supply chains to date and therefore have not engaged in remediation measures in the last financial year. In instances where such cases are identified in the future, we will engage in remediation efforts which may include discontinuation of relationships and contracts.

Remediation of Vulnerable Family Income Loss

We have not identified any cases of child labour or forced labour being used in our activities and supply chains to date and therefore have not engaged in remediation measures in the last financial year. In instances where such cases are identified in the future, we will approach remediation of loss of income in a diligent manner.

Employee training on forced and child labour

Kane Biotech has integrated mandatory training on its Supplier Code of Conduct and Supply Chains Act Questionnaire into our Quality Management System for all current and future employees. Furthermore, we have incorporated references to both documents into our purchasing and vendor standard operating procedures. Employees responsible for onboarding new vendors and suppliers must assess the entity according to the Questionnaire and ensure that the entity has received and acknowledged the Supplier Code of Conduct. Employees directly involved in procuring goods are required to confirm and record that the relevant assessments are completed before finalizing any purchases.

Training is tracked as part of each employee's training records in our Quality Management System.

In the case where a prospective vendor or supplier is identified as a high-risk for forced or child labour, the application is rejected, and the appropriate governing bodies will be notified. We strictly abide by our core value of respecting the human rights of our employees, the stakeholders we interact with and all peoples.

Assessing Effectiveness

We believe the actions taken this fiscal year demonstrate our commitment and represent a significant stride in preventing forced and child labor within our operations, supply chain, and globally. Recognizing the widespread and often hidden nature of these issues, Kane Biotech is dedicated to ongoing evaluation of our measures to effectively mitigate the risks of forced and child labour.

Approval and Attestation

Our consultation and governance process

In preparing this Statement, Kane engaged/initiated engagement with each of the reporting entities covered by this Statement, and with other entities it owns or controls. We consulted with key areas of our organization to prepare this Statement, including Purchasing, Quality and Regulatory, Finance and Administration. These teams operate across our activities, including across the subsidiaries to which this Statement applies. This supports our enterprise-wide approach to forced labour and child labour.

Approval and Attestation

This annual Statement was approved by the Board of Directors of Kane Biotech Inc on May 20,2025.

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 fiscal year ending December 31, 2024.

Lori Christofalos
Chief Quality Officer

Signature

May 22, 2025
Date

I have the authority to bind Kane Biotech Inc., and this report covers fiscal year 2024,