

Annual federal report on forced and child labor in Canadian and International supply chains for Fertin Canada Inc.

1. Reporting Entity and Scope

This report is submitted by Fertin Canada Inc. (hereafter “Fertin Canada”), Business number BC 1207226, in accordance with the Fighting Against Forced Labor and Child Labor in Supply Chains Act. It covers actions taken from 01.01.2025 - 31.12.2025 to identify, prevent, and address risks of forced and child labor within Fertin Canada’s operations and supply chains.

Fertin Canada is a leading contract manufacturer in North America, specializing in custom solutions in compressed gum, tablets, and other innovative oral delivery systems. With more than 30 years of industry experience, Fertin Canada operates from its headquarters and production facilities in Langley, British Columbia, employing 225 people. Fertin Canada manufactures dietary supplement and nutraceutical products for customers across North America. Fertin Canada is part of Fertin Pharma A/S’s global organization in Denmark and operates in alignment with Group-wide policies, governance structures, and sustainability frameworks.

2. Supply Chain Overview

Fertin Canada’s supply chain includes suppliers of active ingredients, excipients, packaging materials, and indirect services such as logistics, equipment maintenance, professional services, and technology systems. Suppliers are primarily located in Europe, North America, and South East Asia.

Within Fertin Canada, the Strategic Procurement Teams is responsible for identifying, assessing and responding to matters concerning forced and child labor. This is done in close collaboration with the ESG & Sustainability Team and ultimately reviewed and approved by senior level management within Procurement, Finance Controlling, and Business Support.

In 2025, Fertin Canada initiated supplier risk screening by integrating a structured internally developed tool to assess the top 80% of suppliers’ (measured on spend) exposure towards forced and child labor, as well as human rights based on the geography within their business activities. Following this, initial steps to onboard top suppliers to an external risk management platform (Sedex) were conducted.

3. Standard on Forced Labor and Child Labor

Fertin Pharma's global standards prohibit forced, compulsory, and child labor and establish expectations for ethical labor practices across operations and supply chains. These include the dedicated Human Rights Statement, and Supplier Code of Conduct of the Fertin Pharma Group.

The Supplier Code of Conduct outlines mandatory standards for suppliers, including the prohibition of forced and child labor, recruitment fees, and document retention; requirements for written terms of employment; respect for freedom of movement; and access to safe and confidential grievance mechanisms.

4. Due Diligence Processes

Fertin Canada applies a risk-based due diligence approach to identify potential risks of forced and child labor within its supply chains. Suppliers are prioritized based on procurement of spend, geographic exposure, and industry risk.

In 2025, an internal supplier risk screening was conducted covering both direct and indirect suppliers of Fertin Canada, with a focus on suppliers representing approximately 80% of procurement spend. The assessment considered publicly available risk indicators, geographic risk factors, and supplier type - both direct and indirect.

To strengthen risk identification and consistency, internal assessments were complemented by external supply chain risk data, and onboarding to our supplier risk management platform. Suppliers not covered by external platforms were assessed through internal questionnaires and desk-based evaluations.

5. Identified Risks

Based on the initial assessment conducted using the internal assessment tool, which focuses on supplier location, industry characteristics, and Fertin Canada's manufacturing processes, no high-risk areas related to forced or child labor were identified in 2025. Overall, inherent risk is currently assessed as low.

6. Actions Taken to Mitigate Risks

In 2025, Fertin Canada required suppliers to comply with Fertin Pharma Group policies, including the Supplier Code of Conduct, which prohibits forced and child labor. These expectations are communicated to suppliers through contractual frameworks, including General Terms and Conditions, which include a reference requiring suppliers to adhere to the Supplier Code of Conduct.

Fertin Canada applied supplier risk screening and structured supplier assessments to support the identification and evaluation of potential risks related to forced and child labor. These activities form part of Fertin Canada's broader approach to responsible sourcing and ongoing supplier oversight.

In cases where non-compliance is identified, such matters are addressed in line with general contractual provisions. This includes treating non-compliance as a contractual breach, with the expectation that each supplier would address and resolve identified issues in accordance with the terms of the agreement.

In 2025, Fertin Canada identified an opportunity to further strengthen and formalize supplier requirements in this area. Updates to contractual frameworks are currently in progress and are expected to be incorporated into 2026 processes.

7. Grievance and Remediation

Fertin Pharma maintains a formal whistleblower mechanism, publicly available via its website fertin.com, allowing employees and external stakeholders to confidentially raise concerns and, where applicable, anonymously.

Fertin Canada recognizes the importance of enabling workers and stakeholders to raise concerns related to potential human rights impacts, including forced and child labor. Fertin Canada expects suppliers to support an environment in which concerns can be raised without fear of retaliation.

While formal requirements for supplier-specific grievance mechanisms are not currently embedded in contracts or general terms and conditions, Fertin Canada maintains processes to receive, assess, and address potential concerns related to its operations and supply chain.

Where concerns are identified, Fertin Canada has a process in place to review a matter and engage relevant internal and external parties, including suppliers where appropriate, to assess the situation and determine appropriate follow-up actions. This may include dialogue with the supplier and monitoring actions taken to address the concern.

Fertin Canada continues to evaluate opportunities to strengthen its approach to grievance and remediation, including how expectations towards suppliers can be further clarified over time.

2025 Status: No instances of forced or child labor were identified during the reporting year in Fertin Canada.

8. Training and Awareness

In 2025, relevant Procurement personnel completed internal training on responsible sourcing, human rights risks, and the Supplier Code of Conduct.

9. Assessing the Effectiveness of our Actions

Effectiveness is assessed through a combination of supplier coverage, risk prioritization outcomes, training completion, and follow-up actions arising from supplier assessments and engagement.

In 2026, we continue to work on expanding the assessments of supply chain risks with the support of the Sedex platform. In this way, the depth of analysis and assessment of risk levels will be improved.

10. Approval & Attestation

In accordance with the Act, I attest that I have reviewed this report and that it is accurate, true, and complete for the reporting year 01.01.2025 - 31.12.2025.

Per:

Name: Julie Malbaek

Title: Managing Director

Date:

I am authorized to sign this report on behalf of Fertin Canada Inc.

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