



2023 Report on Forced Labour and Child Labour

1. INTRODUCTION

This report concerns the fiscal year ending December 31, 2023. It is published by Duchesnay Inc. and its Affiliates, in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) in force in Canada.

References in this report to “**Duchesnay**”, the “Company”, “we”, “us”, “our” and similar terms mean Duchesnay Inc. and its Affiliates generally, or one or more of them, or those who work for them. The Company’s affiliates included in the scope of this report are Medunik Canada Inc. (“**Medunik**”) and Analog Pharma Canada Inc. (“**Analog**”).

2. OUR COMMITMENT

This report addresses the key activities that we have undertaken to fight forced labour and child labour in our organization and supply chain. It also sets out our existing and future initiatives aimed at raising awareness and preventing forced labour and child labour.

Duchesnay and its Affiliates are committed to ensuring that all business operations and activities are conducted in accordance with the highest ethical standards. When manufacturing pharmaceutical products, Duchesnay aims to improve the health of patients worldwide through excellence and innovation. Improving the health of patients starts with a healthy workplace and a clean and transparent supply chain. At Duchesnay, we insist on the protection of human rights in all our activities and business relationships. In keeping with these values, we have a zero-tolerance policy toward forced labour and child labour.

In the past year, we continued to conduct our business in accordance with our broader objectives of promoting the well-being of our employees and maintaining an exemplary work environment. We have taken the following steps to prevent and reduce the risk of forced labour and child labour in our business activities and supply chains:

- We have launched information collection initiatives in order to better map the supply chains of our key suppliers, including for the purpose of preparing a compliance questionnaire for them.
- We have also begun drafting anti-forced labour and anti-child labour clauses to be included in all our relevant contracts.

3. OUR BUSINESS ACTIVITIES AND SUPPLY CHAINS

3.1. Our Activities

Duchesnay Inc. is a pharmaceutical company which is part of Duchesnay Pharmaceutical Group (DPG). DPG consists of six pharmaceutical entities: Duchesnay Inc., Duchesnay USA Inc., Medunik Canada Inc., Medunik USA Inc., Analog Pharma Canada Inc., and Analog Pharma Inc., each of them having its own specific mission.

Duchesnay operates internationally, exporting its pharmaceutical drugs to Europe, North America, Asia, in total to more than 50 countries around the world. Duchesnay's head office and manufacturing facility is located in Blainville, Quebec. Duchesnay Pharmaceutical Group's U.S. companies are based in Princeton, New Jersey.

Duchesnay Inc. and Duchesnay USA Inc. manufacture medications catered to women at every stage of their life.. Medunik Canada Inc. and Medunik USA Inc. provide innovative medications to people affected by rare diseases. Finally, Analog Pharma Canada Inc. and Analog Pharma Inc. are dedicated to creating high-quality generic drugs, including for rare diseases.

3.2. Our Supply Chain

Our supply chain involves direct and trusted suppliers with which we have built solid and enduring relationships. Several of our key suppliers are reputable international companies with which we have long-standing business relationships. Trust between suppliers and manufacturers is paramount in the pharmaceutical industry, because the health of patients is at stake and should always remain the top priority. At Duchesnay we believe that prioritizing the patient's health means promoting ethical sourcing and exercising caution and diligence throughout the whole procurement and manufacturing process.

We often work with international partners, many of them based in Europe, to obtain raw materials or other pharmaceutical product components for drug manufacturing. The vast majority of Duchesnay's suppliers operate from Europe and manufacture their products locally within a strict regulatory framework. We must source highly specialized products such as active pharmaceutical ingredients and thus select well-established and trustworthy suppliers in the pharmaceutical industry.

Duchesnay understands, however, that it does not have a perfectly accurate view of its suppliers' own supply chains, which is why the Company has decided to prepare a questionnaire for these suppliers in order to better understand where and in which circumstances each and every product is sourced.

We believe that mitigating the social risks inherent to supply chains is our responsibility, and that of our suppliers, and involves all businesses, regardless of the industry in which they operate, even if their sector has not been identified as being particularly at risk.

4. POLICIES AND DUE DILIGENCE PROCESSES

At Duchesnay, we strive to instate a beneficial work environment for all, including our employees, clients, and suppliers. We are highly selective in our choice of suppliers and value trust and transparency in these business relationships. We strongly encourage our clients and suppliers to respect and promote human rights when carrying out their activities.

4.1. Our Policies

We have not yet established specific policies to address forced labour and child labour in our supply chain. However, our existing policies generally support our commitment to act ethically and with integrity internally and in all our business relationships. Our Occupational Health and Safety Policy and our Anti-Harassment Policy were implemented to promote a healthy and safe workplace. Pursuant to these policies, all employees agree to actively help identify risk factors in the workplace and to take all necessary precautions to prevent workplace accidents and work-related injuries and to immediately report any form of violence or harassment in the workplace.

4.2. Due Diligence Process

Following the coming into force of the Act, we carried out summary checks on our priority suppliers and determined that they are compliant. A vast majority of them have a Supplier Code of Conduct or ethical or responsible procurement processes.

Since we have not implemented our own due diligence process, we are currently relying on that of our suppliers, while recognizing that many of them are subject to similar forced labour and child labour laws here or abroad.

5. RISK ASSESSMENT

Although we have not undertaken a formal risk assessment initiative, we have not identified any instances of forced labour or child labour in our activities or supply chain. As a result, we did not instate any remediation measures. To date, there has been no reported loss of income to vulnerable families as a result of any measure taken to eliminate the use of forced labour or child labour in our activities and supply chains.

If any proven instance of forced labour or child labour was brought to our attention, Duchesnay would immediately take appropriate measures to put an end to it and prevent such situations in the future.

6. RISK ASSESSMENT AND IDENTIFIED RISKS MANAGEMENT

To date, we have not taken any remediation measures with respect to the use of forced labour and child labour or the loss of income to vulnerable families, as no specific cases

of abuse of this nature have been brought to our attention.

7. TRAINING

Upon hire, we provide training to all our employees regarding occupational health and safety. We provide them with a copy of our internal policies for training and acknowledgement.

We have not yet trained our staff on forced labour and child labour issues, but we are generally committed to acting ethically and with integrity in all our business relationships. Once we obtain feedback from our suppliers, we will evaluate the need to hold formal training sessions on these specific issues.

8. ASSESSING THE EFFECTIVENESS OF OUR APPROACH

The prevention of forced labour and child labour practices in our business, and in our supply chain, is and always will be subject to continuous improvement. While we have not yet taken specific steps to assess the effectiveness of our measures, we intend to assess our effectiveness in preventing and reducing the risks related to forced labour and child labour in our activities and supply chain at a later stage, including by conducting regular audits of our policies and procedures relating to forced labour and child labour. In light of this exercise, our companies will proactively adjust their processes and controls by measuring the effectiveness of these initiatives.

This report has been approved by the President of Duchesnay Inc. on May 31, 2024, in accordance with paragraph (4)(a) or subparagraph (4)(b)(i) or (ii) of the Act, and constitutes the report for the fiscal year ended December 31, 2023.

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.

Éric Gervais



President of Duchesnay Pharmaceutical Group and its affiliated companies