

**Healthcare Packaging (US), Inc. Report Prepared Pursuant to
Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act**

1. Introduction and Identity

This Report is produced by **Healthcare Packaging (US), Inc.** ("Airnov US", "our", "us" and "we") for the financial reporting year ended December 31st, 2023 (the "**Reporting Period**") and sets out the steps taken to prevent and reduce the risk that forced labour and child labour was used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**").

2. Steps Taken During the Reporting Period to Prevent and Reduce Risks of Forced Labour and Child Labour

Airnov US, together with its affiliates in the functional packaging industry, (collectively, the "Company") is committed to responsible sourcing and to the prevention of forced labour and child labour in its supply chain.

This Report sets out the actions taken to prevent and reduce the risk that forced labour and/or child labour was used by Airnov US or in its supply chains during the financial year ended December 31, 2023.

3. Structure, Activities and Supply Chains

Airnov US is a Delaware corporation located in Belen, New Mexico in the United States.

The Company is a leading specialist in controlled atmosphere packaging with in-depth knowledge of moisture, oxygen and odor management inside packaging for the pharmaceutical, diagnostic and nutritional industries.

The Company is operationally organized into 4 regions, with manufacturing and distribution sites located in the United States, France, China, and India.

Airnov US manufactures and distributes specialty desiccants and healthcare packaging to customers in and outside of Canada. The Company's sites and office locations source raw materials and packaging, technical services and materials, machinery and equipment, corporate services, logistics services, utilities, and IT-related hardware and software from third parties. Airnov US also serves as the importer of record for one customer located in Canada.

The Company purchases raw materials and packaging from approved suppliers only. Approved suppliers are located in China, the United States, Japan, Canada, and Europe. Supplier approval includes the mapping of supply chain down to a minimum of the component manufacturers. Qualification consists of supplier questionnaires, checks using third party evaluations, a risk-based approach to conducting on-site audits of selected manufacturers, distributors and forwarders, and the use of 3rd parties to audit suppliers.

Airnov US is an indirect subsidiary of Colorcon, Inc. a Pennsylvania corporation, which is also a reporting entity and is submitting a separate report under the Act.

4. Policies and Due Diligence Processes

The Company's Code of Conduct requires all Company employees to comply with all laws in the jurisdictions in which the Company does business, which includes those laws regarding the use of forced labour or child labour. Further, the Code of Conduct provides several options for reporting suspected violations including an Integrity Hotline accessible by phone. In addition, the Company's Supplier Code of Conduct prohibits the Company's use of child labour or forced labour.

The Company's standard supplier contract, currently in place with a number of its suppliers, requires suppliers to comply with all applicable laws in the jurisdictions in which the supplier produces and sells its products. In the standard supplier contract, the Company retains audit rights with regard to the supplier's compliance with the contractual provisions. In addition, the Company's standard terms and conditions of purchase require sellers to warrant that all goods purchased by the Company have been manufactured in compliance with all applicable laws.

A Supplier Code of Conduct policy was introduced in March 2021, pursuant to which suppliers are required, at a minimum, to comply with all applicable laws and regulations.

The Supplier Code of Conduct further requires that: labor must be voluntary; suppliers shall not engage in or support trafficking in human beings; slave, child, underage, forced, bonded, or indentured labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt or employment of persons by means of threat, force, coercion, abduction, fraud or payments to any person having control over another person. It also requires that suppliers shall implement procedures to ensure compliance with laws on child labor, slavery, and human trafficking.

As of March 2021, all suppliers are required to comply with the Company's Supplier Code of Conduct. The Company's standard terms of purchase that accompany its purchase orders state that acceptance of the purchase order constitutes the supplier's agreement to comply with the Company's Supplier Code of Conduct. However, this commitment to comply with the Company's Supplier Code of Conduct will be formalized during the 2024 calendar year as the Company will be obtaining from each supplier a signed acknowledgement confirming its agreement to comply with the Company's Supplier Code of Conduct.

The Company's 2023 sustainable procurement policy defines dedicated compliance trainings based on job roles and contains a commitment to fostering ethical and responsible behavior. The policy also outlines third-party background checks that are conducted on new suppliers to ensure no threats are found with respect to social and environmental responsibility.

5. Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage These Risks

The Company redesigned its supplier of raw materials risk assessment as part of our sustainable procurement policy in 2023. The new risk assessment segments suppliers into high, medium, or low risk for corruption, slavery, environmental, and forced labour and child labour. Implementation of updated risk assessment will take place in 2024.

6. Remediation Measures

No instances of forced labour or child labour have been identified in our supply chain.

7. Remediation of Loss of Income to the Most Vulnerable Families

No instances of forced labour or child labour have been identified in our supply chain and no instances of loss of income to most vulnerable families have been identified.

8. Training

The Company uses a training platform to deploy and track training of our employees. Relevant training is provided to employees based on their role.

The trainings include the Company's Code of Conduct, which is mandatory for all employees. The Company's Code of Conduct requires all Company employees to comply with all laws in the jurisdictions in which the Company does business, which includes those laws regarding the use of forced labour or child labour.

Additional trainings regarding sustainability and sustainable procurement, anti-harassment and discrimination, anti-money laundering, antitrust, conflicts of interest, data protection, anti-bribery and corruption, information security and cybersecurity, supplier screening and IT- acceptable use are provided for relevant job roles.

9. Assessing the Effectiveness in Ensuring that Forced Labour and Child Labour are not Being Used in Entity's Business and Supply Chain

The Company regularly reviews its policies and procedures to evaluate and address risks of forced labour and child labour. In addition, the Company conducts targeted physical audits on selected suppliers.

10. 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 the Report for the entity 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 Period listed above.

Date: May 30, 2024

Name: Matthias Brommer

Title: Director

Signature: *Matthias Brommer*

I have authority to bind the corporation.

The Report was approved pursuant to Section 11(4)(a) of the Act by the Board of Directors of Healthcare Packaging (US), Inc. on May 30, 2024.