

STEMCELL Technologies Canada Inc.

Modern Slavery Report

May 31, 2024

At STEMCELL Technologies Canada Inc. (“STEMCELL”), doing the right thing is a core behaviour in our business. This means treating everyone fairly and with respect, taking a zero tolerance approach to discrimination and unacceptable behaviour, and treating supplier partners fairly and as partners in our success. We recognize that modern slavery is a growing issue and that global crises increase the risks of human trafficking and forced, bonded, and child labour. The nature of our business and global footprint means we may be exposed to such risks across our operations, supply chain, and customer and client relationships. We are committed to identifying and addressing human rights risks across our value chain.

This statement is made pursuant to section 11 of *Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act*, (“Canada Act”), section 54(1) of the *UK Modern Slavery Act* (“UK Act”) and the reporting requirements under the *Commonwealth of Australia Modern Slavery Act* (“Australian Act” and collectively, the “Acts”). It constitutes STEMCELL’s modern slavery reporting statement for the financial year ending June 30, 2024 and is intended to provide our customers, partners and regulatory authorities with information on the human rights and modern slavery risks that we have identified, and the systems and controls that we have implemented to prevent or limit these risks in our supply chain.

Our corporate structure, activities and supply chain

STEMCELL Technologies Canada Inc. is the Canadian parent and operating entity of the STEMCELL Group of Companies. It was incorporated under the Canada Business Corporations Act on August 31, 1992 and its Corporation Number is 891297-1. STEMCELL issues this statement on behalf of itself and each of its subsidiaries that are subject to each of the Acts, respectively, and in particular its Canadian, UK, and Australian subsidiaries listed in the Appendix.

STEMCELL operates in the life sciences sector and provides high-quality cell culture media, cell separation technologies, instruments, accessory products, and educational resources to scientists around the world working on stem cell, immunology, cancer, regenerative medicine, and cellular therapy research. At STEMCELL, we are dedicated to improving lives through advanced knowledge and scientific discovery, through our commitment to fostering diversity and inclusion in STEM (science, technology, engineering and mathematics) and the life sciences industry, and through our investments in sustainability, community, and social responsibility.

Our head office is in Vancouver, British Columbia, Canada although we are a global company with offices across the globe. We currently employ 1847 people in Canada and 2368 globally.

Our supply chain includes hundreds of suppliers from around the world. These suppliers provide the raw materials we use for manufacturing our products, services to support our research teams and the lab equipment, chemicals, and other critical goods used across our manufacturing and service network globally. We aim to have a competitive and diversified supply chain, although for reasons of quality assurance, regulatory requirements, cost effectiveness, availability or uniqueness of design, certain material components may be sourced from a single supplier or a limited number of suppliers.

Our policies and due diligence processes in relation to forced labour and child labour

As a signatory to the UN Global Compact, STEMCELL is committed to conducting our business in accordance with the Ten Principles on human rights, labour, environment and anti-corruption and to the applicable laws and fair labour practices. The commitments set out in this report are supported by an evolving framework of policies and processes that seek to embed those commitments across our business, which include:

- Code of Conduct
- Supplier Code of Conduct
- Supplier Diversity Policy
- Human Rights and Equal Opportunity Policy

(i) Code of Conduct

Integrity is a core STEMCELL value and we adhere to the highest ethical standards in our day-to-day business dealings. We require our employees to demonstrate this value in their work and to comply with all applicable laws and regulations when conducting STEMCELL business. The foundation of our compliance program is our Code of Conduct, which covers a broad range of topics including, but not limited to, whistleblowing, confidentiality, anti-corruption and bribery, conflicts of interest, and legal compliance. All members of staff are required to review and sign the Code of Conduct.

(ii) Supplier Code of Conduct and Supplier Diversity Policy

Supplier Code of Conduct

STEMCELL's [Supplier Code of Conduct](#) is a tool for ensuring that our company's suppliers adhere to high standards of safe working conditions, fair and respectful treatment of employees and ethical practices across areas such as:

- Human Rights, Fair Labour, and Employment
- Environment
- Ethics and Diversity, Equity, and Inclusion
- Health and Safety
- Management Systems and Reporting

STEMCELL's Supplier Code of Conduct is aligned to the International Labour Organization Standards, the UN Global Compact Ten Principles and the Pharmaceutical Supply Chain Initiative priorities. The Supplier Code of Conduct further demonstrates our world-class commitment to best practices in procurement, and communicates our expectations around responsible sourcing both internally to STEMCELL as well as externally to our business partners and the public at large.

Conflict Minerals

STEMCELL's [Supplier Code of Conduct](#) states that our suppliers will exercise responsible sourcing in their supply chain and, where applicable, in accordance with the Organization for Economic Cooperation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our suppliers will also provide information, as may be requested by STEMCELL, to enable STEMCELL to accurately report on the source and chain of custody of conflict minerals including, but not limited to, tin, tantalum, tungsten, and gold.

Supplier Diversity Policy

STEMCELL's [Supplier Diversity Policy](#) enacts STEMCELL's Corporate Diversity, Equity, and Inclusion goals along our supply chain. The Policy defines what a Diverse Supplier is to STEMCELL and allows for companies to signal their diversity status as part of their business interactions with our company.

(iii) Human Rights and Equal Opportunities Policy

As an equal opportunity employer, STEMCELL is committed to building and sustaining a diverse workforce that is inclusive of all perspectives resulting from different backgrounds and walks of life. All people-related actions and decisions, such as recruitment, hiring, promotion, compensation, benefits, company-sponsored training, and social and recreational programs are administered without regard to race, indigenous identity, colour, religion, political belief, marital or family status, ancestry or place of origin, gender identity or expression, sexual orientation, age, disability status, or any other characteristic protected by law.

Harassment or differential treatment based on a prohibited ground under human rights law is covered under our Anti-Discrimination & Anti-Racism Policy. The purpose of this policy is to ensure we maintain a positive working environment that remains inclusive, diverse, and is free from discrimination and racism. Ensuring a safe work environment is a top priority and STEMCELL will not tolerate discrimination and racism in the workplace in any form and from any individual.

The parts of our business and supply chains that carry a risk of forced labour or child labour being used and the steps we have taken to assess and manage that risk

STEMCELL's supply chain and our procurement of goods and services are identified as the areas of our business that carry a risk of forced or child labour being used. Our Supplier Code of Conduct explicitly prohibits the use of child labour. Our suppliers are required to complete an assessment questionnaire which collects information about their labour practices, and is then used to assess and select the suppliers we are working with based on their commitment to preventing child labour and their effectiveness in doing so. STEMCELL also utilizes the Vulnerability Model which estimates how vulnerable people in a country are to modern slavery and in what ways. Based on a set of country-level indicators, the model is designed to enable us to identify and better understand the potential drivers of this crime. The 23 indicators of vulnerability were selected based on alignment with relevant theories and retained after further analysis. The indicators are organized into five major dimensions of vulnerability to modern slavery. Based on our analysis, products and services procured in our supply chain from higher risk countries comprise a low percentage of overall spend.

Any measures taken by us to remediate any forced labour or child labour

As at the date of this report, we have not discovered any forced or child labour and therefore, have not taken any remedial action.

Any measures taken by us to remediate the loss of income to the most vulnerable families that result from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

As at the date of this report, we have not discovered any forced or child labour and therefore, have not taken any remedial action.

Our training provided to employees on forced labour and child labour

At STEMCELL, we ensure our employees are trained on requirements around forced labour and child labour legislation. We are also continually reviewing and improving our responsible procurement processes and supporting our suppliers in their environmental, social and governance initiatives. Our employee education offerings include the following:

- Internal presentations to our Senior Executive and Procurement teams on requirements under the relevant modern slavery legislation;
- Participation by STEMCELL's Supplier Sustainability, Diversity, Equity and Inclusion (SDEI) program members to the:
 - The United Nations Business and Human Rights (UNBHR) Accelerator program
 - "Decent Work in Global Supply Chains" offered by the UN Global Compact;
- New training courses on our Supplier Code of Conduct and Supplier Diversity Policy, which is also now included in the onboarding training for members of the Procurement team;
- Presentation to Senior Management, as well as internal communications to all employees globally via our intranet site, explaining our Supplier Code of Conduct and Supplier Diversity Policy; and
- Posting on our external company website our Supplier Code of Conduct, Supplier Diversity Policy and this Modern Slavery Report.

How we assess the effectiveness of our actions in ensuring that forced labour and child labour are not being used in our business and supply chains

STEMCELL will continue to review and improve its practices to respect human rights for all people impacted by our business and identify and eliminate, to the fullest extent practicable, modern slavery or human trafficking from our business and supply chain.

In order to maintain and continually improve our own operational and supply chain performance we:

- Work on improving transparency in our supply chain along with developing risk assessment tools;
- Share best practices and work with our key suppliers to reduce supply chain risks;
- Regularly review our human rights policies as outlined above to drive alignment with global regulatory and business best practices;
- Monitor and work to improve supplier diligence response rates via targeted initiatives;
- Target supplemental training for suppliers in high-risk regions/sectors; and
- Investigate, and where possible, help to drive the remediation of, any complaints received and substantiated related to human rights in our operations or supply chain.

The actions detailed in this report describe STEMCELL's continued commitment to respect the human rights of all people and to improve the quality of life in the communities we serve.

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. I have the authority to bind STEMCELL.



ALLEN EAVES, OC, OBC, MD, PhD, FRCPC
 FOUNDER, PRESIDENT, AND CEO
 STEMCELL Technologies

Appendix

A: Corporate Structure of reporting entities:

