



ALTASCIENCES

# ANNUAL REPORT 2024



# 2024

This Annual Report has been produced by Altasciences Company Inc. (“**Altasciences**” or the “**Company**”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). It sets out the steps that Altasciences has taken during its previous financial year ending December 31, 2024 (the “**Reporting Period**”) to prevent and reduce the risk that forced or child labour is used at any step of the production of goods by the Company or of goods imported into Canada by the Company. The report also provides supplementary information as is required under the Act.

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# STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Altasciences is incorporated under the laws of Quebec and is headquartered at 575, Boulevard Armand-Frappier, Laval. Altasciences establishes the policies governing its clinical research and testing facilities in Quebec (Montréal and Laval) and the United States (West Sacramento and Cypress, CA; Everett, WA; Overland Park, KS; Auxvasse, MO; Harleysville and Scranton, PA). Altasciences is majority owned by Novo Holdings A/S, a world-leading life sciences investor headquartered in Denmark.

Altasciences is a forward-thinking, mid-sized contract research organization offering pharmaceutical and biotechnology companies a proven, flexible approach to preclinical and clinical pharmacology studies, including bioanalysis, formulation, manufacturing, and analytical services. We help pharmaceutical companies research and develop potentially life-saving therapeutics. Our commitment to quality, excellence, integrity, and respect helps us to deliver big impact with a personal touch.

In connection with its research activities, Altasciences Company Inc. sources various substances and materials which are essential for laboratory analysis, particularly in vitro research activities, including chemicals, blood, urine, plasma, and pharmaceutical

products. While a small percentage of supplies are sourced and imported from the United States, Europe, and Asia, our overarching procurement strategy revolves around maximizing reliance on Canadian suppliers, each of which is responsible for its own sourcing. This strategic emphasis aligns with Altasciences' commitment to fostering domestic partnerships and supporting local industries whenever feasible. Through strategic partnerships and a relentless pursuit of operational excellence, Altasciences remains poised to meet the evolving needs of its clients while reinforcing its position as a trusted leader in scientific research and development.

Altasciences' purchasing activities are overseen by its dedicated procurement team. The primary objective of the procurement team is to ensure the ethical acquisition of goods and services, including maintenance contracts, support services, and consultant engagements, adhering to transparent, professional, and standardized practices. This approach enables Altasciences to secure quality products at competitive prices while ensuring compliance with internal governance and relevant laws and regulations, thereby maintaining the alignment and integrity of the supply chain at the enterprise level.

# STEPS TAKEN TO PREVENT AND REDUCE RISKS OF FORCED LABOUR AND CHILD LABOUR IN OUR SUPPLY CHAIN

During the Reporting Period, Altasciences initiated and continued several measures to combat forced and child labour within its supply chain.

## Policy Updates

To ensure alignment with our plan to prevent and reduce risks of forced labour and child labour in Altasciences' supply chain, we updated our procurement policy to reflect our commitment to "Fighting Against Forced Labour in the Supply Chain". An anti-forced labour statement was included in our purchase orders, affirming compliance with labour laws, including the prohibition of forced and child labour, and ensuring fair treatment of employees—stating that non-compliance by a vendor may result in contract termination. This statement is also included in all purchase orders within our new standardized ERP system, which went live in January 2025.

## Training

Altasciences' Canadian procurement team received training on forced labour from FRDM, a third-party provider. There's an opportunity to extend this training to all procurement members in 2025. The lead of the Procurement Department has further enhanced their expertise by completing supplementary training on environmental, social, and governance (ESG) topics. All Altasciences employees received ESG training by a third-party, with a section covering forced and child labour, in Q3 2024. The purpose of this training was to introduce ESG to employees and demonstrate how their everyday decisions and actions can make a big difference. It also guided managers on how to inspire their teams to be ESG advocates and live the Company's values.

## Supply Chain Mapping

Altasciences engaged the services of a third-party organization, FRDM, to conduct a comprehensive mapping, review, and predictive risk analysis of our supply chain. In conjunction with FRDM, Altasciences also conducted a review of all its suppliers, analyzing its operations and practices. In 2024, Altasciences' procurement activities focused on categorizing top vendors for each business segment, as well as identifying key strategic vendors. This initiative provided us with a deeper understanding of our vendors' supply chains. Additionally, FRDM provided a system to track responses to alerts on the website regarding potential forced labour risks in regions where suppliers might be operating. The Procurement Department then worked with the suppliers to resolve the issue.

## Action Plan

Altasciences continues to develop a forced and child labour action plan which reaffirms our commitment to upholding human rights and promoting ethical business practices. Through proactive engagement, collaboration, and continuous improvement, we aim to address any adverse human rights impacts within our operations and supply chain, contributing to positive social change and sustainable development. The action plan consists of five phases that are under development:

- 1. Assessment and Identification of Impacts:** Using the third-party risk assessment tool FRDM, Altasciences regularly conducts a comprehensive assessment to identify potential human rights impacts within our operations and supply chain, focusing on forced labour and child labour.
- 2. Remediation Strategy Development:** The assessment findings will provide the basis for a remediation strategy to “resolve” the issue that outlines specific actions and measures to address identified areas of risk. This strategy will prioritize the equitable pay and support of affected individuals and communities, aiming to provide meaningful remedies that address the root causes and prevent recurrence.
- 3. Collaboration and Engagement:** Altasciences will actively engage with stakeholders throughout the remediation process, fostering open dialogue, collaboration, and transparency. We will work closely with our suppliers to ensure that remediation efforts are responsive to the needs and aspirations of those impacted.
- 4. Implementation and Monitoring:** We will implement remediation measures in a timely and effective manner, leveraging both internal resources and external expertise as needed. Regular monitoring and evaluation mechanisms will be established to track the progress of remediation efforts, assess their effectiveness, and identify areas for improvement.
- 5. Continuous Improvement and Learning:** Altasciences is committed to continuous improvement and learning in our approach to remediation and remedy. We will regularly review and update our remediation strategy based on feedback, emerging best practices, external consultation, and evolving human rights standards. Through ongoing reflection and adaptation, we will strive to enhance the impact and effectiveness of our remediation efforts.

# FORCED LABOUR AND CHILD LABOUR RISKS IN OUR SUPPLY CHAIN

Altasciences is committed to ethical business practices and a supply chain that is free of forced labour and child labour. Altasciences sources primarily from Canadian suppliers and imports a small percentage of materials needed for its operations from the United States, Europe, and Asia. Given the number of suppliers in our chain and that each supplier has its own, multi-tiered supply chain, there remains the small potential risk of the use of forced or child labour in their own supply chain. To manage this risk, Altasciences relies on the policies and due diligence processes in relation to forced and child labour discussed below.

# POLICIES AND DUE DILIGENCE PROCESSES

Altasciences maintains rigorous policies and implements robust due diligence processes to combat forced labour and child labour within its supply chain. Our commitment to avoiding forced and child labour in our supply chain extends beyond the mere collection of information, as is discussed below. We understand the importance of actively following up on the data gathered and taking concrete steps to address any issues identified that may indicate a risk of human rights violations, including forced and child labour. Through ongoing monitoring, engagement with stakeholders, and implementation of remediation measures, we strive to uphold our ethical standards and ensure the well-being of all individuals impacted by our activities. Altasciences remains steadfast in its pursuit of continuous improvement and accountability, aiming to foster positive change and promote sustainable practices across our operations, and beyond.



## Supply Chain/Procurement Policy

In our Procurement Policy, we have dedicated a separate section to ESG initiatives to underscore our commitment. Within this section, we emphasize our stance against forced labour and outline our practice of including anti-forced labour provisions in every purchase order and supplier contract. ESG responsibilities, particularly the monitoring of child labour and forced labour within the supply chain, have been formally integrated into the job description of our procurement specialists to ensure thorough oversight of ESG topics and initiatives. At the company level, an ESG committee has been established, comprising four sub-committees: Environment, Human Rights & Labour, Ethics/Governance, and Sustainable Procurement. This committee works closely with an external consulting firm to bolster Altasciences' ESG efforts. Their collaboration includes reviewing and updating policies, proposing new initiatives, and generating reports.

## Risk Assessment

Central to our approach to reduce the risk of forced and child labour in our supply chains is the utilization of the FRDM tool, a sophisticated monitoring and predictive risk assessment platform. This tool empowers Altasciences to proactively identify and assess potential risks related to forced labour and child labour across its supply chain network. By leveraging the FRDM tool, Altasciences can not only anticipate and mitigate risks but also safeguard against the exploitation of vulnerable populations. Moreover, the tool facilitates ongoing tracking of the organization's actions in addressing forced and child labour issues, fostering accountability and transparency in its operations. Altasciences views this tracking mechanism not only as a means to monitor progress but also as a platform for fostering cooperation and dialogue with its suppliers. Through open communication channels and collaborative efforts, Altasciences works hand in hand with its suppliers to address and resolve any potential instances of forced or child labour, reinforcing its commitment to ethical business practices and social responsibility.

## Supplier Screening

Altasciences employs the “Amber Road” restricted party screening management system, which reviews all of Altasciences’ suppliers and provides a daily live update with alerting. Suppliers are screened against data maintained in e2open’s Global Knowledge® (Amber Road) application, which contains the most comprehensive and current database of global trade content and international business rules available today. The information covers over 700 restricted party lists, including those concerning forced and child labour, from more than 200 countries, making e2open’s trade content and update process the best in the industry. The key benefits of this tool is that it allows us to screen customers and trading partners against over 700 government-issued lists that are constantly updated with restricted parties and entities, embargoed countries, and debarred individuals. This tool allows us to react in real time to any potential change in the status of any of our suppliers or customers.

## Tracking

Altasciences recognizes the critical importance of tracking and mitigating the risks of forced labour and child labour within its supply chain. To effectively monitor these risks, Altasciences has implemented a comprehensive strategy that involves centralized data collection and analysis. Altasciences ensures that all relevant data regarding potential risks or instances of forced labour and child labour are systematically gathered. By centralizing the collection of results, our procurement teams can closely monitor trends and patterns related to forced labour and child labour risks. This centralized approach allows swift action to address any issues, whether through renegotiating contracts, implementing corrective measures, or seeking alternative suppliers. By prioritizing data-driven decision-making and proactive risk management, Altasciences remains committed to upholding ethical standards and safeguarding human rights across its supply chain.



# REMEDATION MEASURES

Altasciences is not aware of any incidents of forced or child labour in its supply chain and therefore the issue of remediation has not arisen. Nevertheless, Altasciences recognizes the importance of addressing human rights impacts within our operations and supply chain, particularly concerning forced labour and child labour.

## REMEDICATION OF LOSS OF INCOME

Altasciences is not aware of any families that have experienced the loss of income as a result of steps that it has taken to eliminate forced labour or child labour risks in its supply chain, and therefore the issue of remediation has not arisen.

## TRAINING

Altasciences' employees involved in the supply chain are required to undergo formal training on forced and child labour. The training covers the Act as well as other related initiatives, such as the U.S. Customs and Border Protection 19 U.S.C. 1307 and the UN Forced Labour Convention. While no formal assessment method has been employed, the forum served as an opportunity to outline and discuss the steps that Altasciences is currently taking and will be enhancing in the future. As mentioned in Steps Taken – Training, Altasciences' Canadian procurement team received training on forced labour from FRDM, a third-party provider. There's an opportunity to extend this training to all procurement members in 2025. The lead of the Procurement Department has further enhanced their expertise by completing supplementary training on environmental, social, and governance (ESG) topics. All Altasciences employees received ESG training by a third-party, with a section covering forced and child labour, in Q3 2024. The purpose of this training was to introduce ESG to employees and demonstrate how their everyday decisions and actions can make a big difference. It also guided managers on how to inspire their teams to be ESG advocates and live the Company's values.





## ASSESSING EFFECTIVENESS

Altasciences evaluates its effectiveness in preventing forced labour and child labour within its activities and supply chains through comprehensive third-party audits and monthly review discussions regarding potential policies and activities. By partnering with reputable external auditors and consultants, we gain valuable perspectives and recommendations for enhancing our practices and further strengthening our commitment to ethical sourcing. This ongoing review process serves as a cornerstone of our approach to corporate responsibility, driving continuous improvement and accountability in our efforts to safeguard human rights and uphold the dignity of workers throughout our supply chain.

## APPROVAL AND ATTESTATION

This report was approved pursuant to paragraph 11(4)(a) of the Act by the Board of Directors of Altasciences Company Inc.