



Joint Modern Slavery Report 2023

Ovivo Inc. and SKion Water GmbH

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1. Introduction

This Modern Slavery Report (the “Report”) is a joint report for SKion Water GmbH (“SKion Water”), and Ovivo Inc. (“Ovivo”, “our”, “we” or “us”, and together with SKion Water, the “Corporations”) which, as reporting entities under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“Act”), have an obligation to publish a Report for the financial year ending December 31, 2023 (the “Reporting Period”). This Report outlines the Corporations’ measures taken during the Reporting Period to prevent and mitigate the risk of forced labour or child labour in the production of goods in Canada or in goods imported into Canada by Ovivo.

Fulfilling our ethical, social, and legal responsibilities as a company is a high priority for us. This includes following the applicable laws everywhere at all times, respecting ethical principles, and acting in a sustainable way. Given the Corporations’ high standards, it is expected that our partners will comply with international, country and local laws and legislative measures in all matters.

Forced labor and child labor, as defined in the Act, constitute crimes and severe violations of human rights. The Corporations acknowledge their pivotal responsibility in maintaining the highest ethical standards within their operations and throughout their businesses. For the purposes of this report, “Modern Slavery” includes forced labour and child labour.

2. Structure, activities and supply chains

Ovivo, a privately-held corporation incorporated under the *Canada Business Corporation Act*, is a global provider of equipment, technology and systems producing among the purest water and treating some of the most challenging wastewater in the industry. Ovivo is a powerful global brand with renowned trademarks, possessing more than 150 years of expertise and references in water treatment, supported by its proprietary products, advanced technologies and extensive system integration knowhow. Ovivo delivers conventional to highly technological water treatment solutions for the industrial and municipal markets and leverages its large installed base of equipment around the world to offer parts and services to its customers. Ovivo is dedicated to innovation in an industry that is in constant evolution and offers water treatment solutions that are cost-effective, energy-efficient, and environmentally sustainable.

Headquartered in Montréal, Canada, Ovivo operates an integrated global platform in 18 countries and employs more than 1,400 worldwide experts in water treatment. Ovivo is owned by SKion Water, a global water and wastewater technology and solution provider. SKion Water is a subsidiary of German entrepreneur Susanne Klatten’s investment holding, SKion GmbH.

SKion Water, as a holding company, substantially relies upon the efforts of Ovivo, as the operating business, for the purposes of managing and monitoring its supply chain operations and compliance programs.

Ovivo's supply chain includes suppliers of varying sizes and expertise levels. Ovivo's procurement process for the goods produced in Canada or imported into Canada is designed to prioritize suppliers located in Canada and the US, known for their adherence to rigorous labor standards and regulations. Ovivo is committed to partnering with its supply chain in a manner consistent with its core values. Throughout its supply chain, Ovivo prioritizes sustainability and environmental responsibility, as well as sourcing materials ethically.

3. Steps to prevent and reduce risks of forced labour and child labour

At Ovivo, we consider the respect of human rights as a fundamental corporate duty and a guiding principle across all our operations. Respecting human rights is of utmost importance in all our business endeavors, irrespective of location. We expect the same of our partners.

Ovivo's objective is to collaborate with tier 1 suppliers in safe regions such as Canada and the US to mitigate the risk of inadvertently supporting Modern Slavery or exploitative labor practices.

In 2022, we initiated an ESG Supplier Questionnaire serving as a tool to assess the environmental, social, and governance practises of suppliers. The questionnaire is aimed at evaluating the sustainability and ethical performance of suppliers, ensuring alignment with the Ovivo's objectives and values. Modern Slavery risks were encompassed in this process as the questionnaire partly focused on labor practices, human rights policies, and efforts to combat child labor.

During the Reporting Period, we were committed to continually improving our ESG practices, including our approach to addressing child labor and forced labor issues. As part of our ongoing efforts and commitment to maintaining the highest standards of ethics and accountability, we worked with our parent company, SKion Water, during the Reporting Period and continuing into 2024, to meet the upcoming European Union regulatory reporting requirements outlined in the Corporate Sustainability Reporting Directive ("CSRD").

For this, we will be working to understand the material impacts on our value chain workers caused or contributed to by our business, as well as understanding the material impacts which are directly linked to our own operations, products or services through its business relationships and its related material risks and opportunities.

We believe that this exercise, in conjunction with a review of certain corporate policies, will allow us to reinforce our stance against the use of child labor and forced labor in any aspect of our operations or supply chain.

This initiative is ultimately aimed at extending our ethical standards beyond our organization and into our broader network of suppliers and partners, and establishing the criteria and standards that we expect our suppliers to meet in areas such as labor practices, transparency, and integrity. All these efforts, during the Reporting Period and continuing into 2024, underscore our unwavering commitment to integrity and ethical business practices throughout every facet of our operations.

4. Policies

Via our organizational and governance policies, we convey our core values and standards, establishing rigorous expectations for ourselves and our partners. Ovivo is committed to protecting human rights, and we unequivocally declare zero tolerance for any manifestations of forced labor or child labor within our operations or among our collaborating suppliers. We endeavour to prevent our activities from having a negative impact on human rights. Our commitment extends to continually refining and enhancing our strategies and policies to reflect such commitment.

4.1 Code of Ethics and Business Conduct

We are dedicated to operating our business with integrity and high ethical standards and to be a valuable member of local communities wherever we operate. Our Code of Ethics and Business Conduct represents Ovivo's philosophy and spirit. It outlines fundamental principles for professional conduct, emphasizing that all Ovivo employees must conduct themselves lawfully, ethically, and in Ovivo's best interest while fulfilling their job responsibilities. The Code of Ethics and Business Conduct applies to all members of Ovivo community. It can be found here: <https://www.ovivowater.com/en/code-of-ethics/>

4.2 Whistleblowing Policy

Ovivo's Whistleblowing Policy offers a channel for all employees to report concerns about unethical, unsafe or unlawful practises across the company globally or from our external partners, without the fear of reprisal, discrimination, or disadvantage. The policy aims to promote and facilitate the internal reporting of significant issues within Ovivo, rather than disregarding them or seeking external resolution.

4.3 Supplier Code of Conduct (projected)

As stated above, Ovivo is working with its parent, SKion Water, to meet the CSRD reporting requirements. As part of that process, we are looking at different strategies, including the development of a Supplier Code of Conduct. This initiative underscores our commitment to upholding ethical standards and promoting responsible business practices throughout our supply chain.

The Supplier Code of Conduct would outline the expectations and requirements we have for all suppliers and partners who conduct business with Ovivo. It would serve as a guiding framework to ensure that our suppliers align with our core values and principles, fostering a culture of integrity, fairness, and sustainability.

We believe that by establishing clear expectations and standards for our suppliers, we can foster stronger partnerships built on trust, integrity, and shared values. We are committed to working collaboratively with our suppliers to prohibit Modern Slavery and to establish stringent measures to detect, prevent, and address instances of its occurrence.

5. Due Diligence

Third parties collaborating with us are required to uphold business principles and values that mirror our own and to adhere to all relevant laws and regulations. We rely on the assessments conducted by our Tier 1 suppliers to ensure that no forced labour or slavery is used at any stage of our supply chain. Based on the location of our main suppliers, we believe that the risk of Modern Slavery in our supply chain is low.

Recognizing the potential risk of forced labor or child labor in our supply chain, we acknowledge the need for ongoing vigilance and improvement, and we are committed to conducting further due diligence in the future to ensure ongoing compliance and to mitigate any emerging risks within our supply chain.

6. Assessing and managing risk

The Corporations acknowledge that human rights observers have identified the potential for Modern Slavery in the production of different types of goods and materials. Our supply chain for the goods produced in Canada or imported into Canada includes purchases from local, regional, national and international suppliers, with a focus on partnering with tier 1 suppliers located in Canada and the United States representing a low risk of any form of Modern Slavery. Ovivo prioritizes suppliers that share its values and requires that they comply with applicable legislation, in particular concerning employment standards, non-discrimination and human rights.

Ovivo has a global risk assessment process which covers a range of risks to its business including forced labour and child labour. We acknowledge, nevertheless, that we can always look for improvements. We intend to examine our procurement and risk management practices to establish appropriate enhancements to further address the risk of Modern Slavery in our supply chains.

7. Remediation Measures

Our Code of Ethics and Business Conduct, alongside our Whistleblowing Policy, mandate all Ovivo employees and contract workers to report any observed or potential misconduct. During the Reporting Period, no instances of forced labor or child labor in our business activities and supply chains have been identified or reported. Consequently, no remedial actions were necessary. We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

If a situation of non-compliance or any violation is identified, Ovivo will develop and implement a corrective plan to improve and remedy the situation.

Particularly, should any instances of forced labor or child labor be discovered within our business or supply chains, we may implement any of the following measures to address such occurrences:

- Providing support to victims and their families, including workforce reintegration and psychosocial assistance.
- Offering compensation to victims and their families.
- Implementing preventive measures to prevent the recurrence of forced labor or child labor.
- Establishing grievance mechanisms for affected parties.
- Issuing formal apologies.

These actions underscore our commitment to upholding ethical standards and ensuring the welfare of all individuals involved in our operations and supply chains.

8. Training

All Ovivo employees, regardless of their position, must comply with our Code of Ethics and Business Conduct and ensure its consistent application in their daily activities. Upon joining Ovivo, every new employee is required to review and acknowledge our mandatory values and policies outlined in our Code of Ethics and Business Conduct. They are also informed on the procedures for reporting misconduct under our Whistleblowing policy.

Ovivo intends to provide training to targeted audiences that will include a component regarding the identification and prevention of Modern Slavery.

9. Assessing effectiveness

As part of our governance procedures, we continuously monitor adherence to our policies. We address any concerns raised through our Whistleblowing policy and other informal channels for employee feedback. To date, no significant issues or complaints have been identified.

Additionally, we evaluate the efficacy of our policies by conducting regular reviews or audits of organizational policies and procedures.

Ovivo is committed to taking further measures to prevent the risk that forced labour or child labour is used in our activities and supply chains, and will consequently assess, at a later stage and upon implementation, the effectiveness of such measures in preventing and reducing risks of forced labour and child labour in its activities and supply chains.

10. Approval and Attestation

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Board of Directors of Ovivo Inc. on May 16, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this Report for the Corporations. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this 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 Ovivo Inc.

(s) Marc Barbeau

Marc Barbeau
President and Chief Executive Officer of Ovivo Inc.
May 28, 2024

This Report was approved pursuant to subparagraph 11(4)(b)(ii) of the Act by the Managing Directors of SKion Water GmbH on May 16, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this Report for the Corporations. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this 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 SKion Water GmbH.

(s) Dr. Reinhard Hübner

Dr. Reinhard Hübner
Managing Director
Date: May 28, 2024