



Canada's Modern Slavery Report 2023

Evora Equity Inc.

This Modern Slavery Report addresses the period from October 1, 2022 to September 30, 2023 and has been prepared in compliance with the Fighting Against Forced Labour in Supply Chains Act (Canada). The report is made on behalf of Evora Equity Inc. ("Evora Equity").

Introduction

Evora Equity is a western Canadian based private equity firm focused on acquiring and growing operating businesses within the general health and wellness industry. To date, the company has made three platform investments (see Structure below); two in which Evora Equity exercises majority control positions and whose activities and supply chain information are reflected in this joint report:

- Evora Respiratory LP
- Kintec Footlabs Inc.

Evora Equity also has a minority equity position in Passion Dental Group Inc. ("Passion"). The activities and supply chain risk of that company are not reflected in this report due to that minority ownership position. Additionally, Passion is a dental services corporation, operating in an industry not targeted for participation in the reporting related to Canada's Modern Slavery Act.

Evora Equity is committed to respecting human rights across all of our business operations in accordance with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Without limiting the foregoing, we do not utilize or permit child labour, forced labour or other abusive or unsafe working conditions.

Structure, Activities and Supply Chains

Evora Equity is the parent company and has majority equity positions of the following entities:

- Evora Respiratory LP
- Kintec Footlabs Inc.

As noted above, Evora Equity also holds a minority equity position in Passion Dental Group Inc.

Evora Respiratory LP

Evora Respiratory LP ("ERLP", "Evora Respiratory" or "the Partnership") is engaged in the business of providing sleep and respiratory products and therapy services to individuals in western Canada. The Partnership operates over 30 clinics across the provinces of Saskatchewan, Alberta and British Columbia under the following entities:

- Aveiro Sleep LP, including operating divisions:
 - Sleep Medix
 - Aveiro Sleep
- CanSleep LP
- Parkland CPAP Services Inc.
- FreshAir Respiratory Care Inc.
- 995956 Alberta Ltd. o/a Chinook Respiratory Care
- 2006847 Alberta Ltd. (non-operating)

Minority partners in the various businesses, where present, are comprised of original owner-operators who vended the respective business to ERLP.

The ERLP head office is located at Suite 300, 4954 Richard Road SW, Calgary, Alberta, T3E 6L1. All employees sign off on and are subject to the Partnership employment policies including the Code of Conduct captured within the Employee Handbook as well as The Policies and Procedures Manual. Employees receive training based on their functional focus as well as global training related to certain aspects of the Code. Employees are paid fair wages based on industry norms and annual assessments.

The Partnership sources materials and finished good utilized to treat patients. These come in the form of disposable measurement and examination tools, equipment used to measure sleep and breathing characteristics, and manufactured devices and accessories that are sold to patients for sleep and respiratory therapy purposes.

Finished resale goods, which include a significant portion of electronics, are sourced from a handful of main suppliers who are global in nature and directly manufacture their goods all over the world, including significantly in Asia. These manufacturer partners source components and raw materials from a broad set of global suppliers.

Kintec Footlabs Inc.

The Kintec Footlabs Inc. (“Kintec” or the “the Company”) operates a chain of retail stores utilizing the Kintec, Walking Mobility Clinics (“WMC”), Stand Your Ground (“SYG”) and Kim Rau & Associates (“KRA”) banners focused on services related to and the provision of orthotics, bracing, performance footwear and accessories under the following entities:

- Kintec Footlabs Inc., with subsidiaries:
 - Walking Mobility Clinics (SWO) Inc. (“WMC SWO”)
 - KIWI Software Solutions Inc. (“KIWI”)

The company is also engaged in the manufacturing and marketing of orthotics and the development and provision of orthotics retailer operating software. The minority owners in Kintec include the original owner-operator and various members of the Kintec management team. Head office is located at Suite 300, 4954 Richard Road SW, Calgary, Alberta T3E 6L1 with business operations centred in B.C. and stores located across B.C. (Kintec) and Southern Ontario (Kintec, WMC, SYG and KRA). Manufacturing of orthotics is completed in the manufacturing and business centre office located at 13465 King George Blvd., Surrey, BC, V3T 2T8.

Key footwear and apparel products are sourced from major, well-known companies in the industry (e.g. Nike). Bracing products and accessories are also sourced from well-established market leading providers. In the case of orthotics, mainly manufactured internally, components and materials are sourced from a handful of vendors, whom source their raw materials from a global set of providers. Consequently, the supply chain is comprised of both domestic and international vendors.

From an operational perspective, all of the employees of both entities are located in Canada, a country considered to be at low risk of forced labour incidences and vulnerability. The company follows labour practices as established by law in Canada and pays fair wages based on provincial regulations and industry norms.

In total, the operations of the two businesses include over 300 employees, working on either full-time, part-time, or casual basis across approximately 55 retail locations.

Policies and its due diligence processes in relation to forced labour and child labour.

Modern Slavery is identified by the International Labour Organization (ILO) as an umbrella term covering practices such as forced labour, debt bondage, forced marriage, and human trafficking. Essentially, it refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power. Evora Equity supports this definition and seeks out investigative methods to identify such transgressions.

Evora Equity is aware that modern slavery risks may possibly exist within our combined supply chain and have recently commenced the implementation of due diligence processes to identify and address these risks. Our due diligence process includes the following:

- a) We have committed to understanding and mitigating the risks on modern slavery within our combined supply chain.
- b) Risk Assessment: We conduct a risk assessment of our suppliers to identify potential modern slavery risks or other human rights violations. This includes reviewing internet articles and reference materials and any modern slavery act statements submitted in other jurisdictions (e.g. Australia, the UK, California). Reference sources include information from authorities such as the U.S. government, NGOs and industry partners such as ILO (International Labour Organization) Better Work, and The Institute for Human Rights and Business or industry bodies (for example, the Social Responsibility Committee of the American Apparel & Footwear Association (AAFA) and the Sustainable Apparel Coalition (SAC).
- c) Supplier Engagement: We engage with our suppliers to communicate our expectations and requirements regarding modern slavery risks. This includes the communication of our Business Partner Code of Conduct.
- d) Remediation: We work with our suppliers to address any identified risks and, to the extent possible, support them in developing remediation plans to improve their compliance with our policies.
- e) Monitoring: We monitor our suppliers' compliance with our policies on an ongoing basis to ensure they maintain their commitment to respect human rights.
- f) Disclosure and Communication – Annually, we will report on our findings and activities regarding modern slavery risks, obtain acknowledgement and approval from our Board of Directors on this work, and seek to implement continuous improvement policies and processes.

Our policy with respect to the use of child or forced labour is explicitly outlined in our Business Partner Code of Conduct. In short, we will tolerate no use of forced/child labour in our supply chain and where instances are identified, will monitor the remediation actions of our vendors to ensure they are eliminated promptly.

Pertaining directly to point b. above, supplier risk assessment is conducted to mitigate risk relating to the operation or organization of a supplier that may potentially have a negative impact on the activity, such as legal non-compliance, safety or reliability issues, business continuity risk and adverse media. This risk assessment is based on consideration of four parameters:

- Risk relating to the nature of the supplier’s activity;
- Risk relating to the country in which the supplier carries out its main activity;
- Evora Equity’s current and anticipated spend with the supplier; and
- Evora Equity’s dependency on the supplier.

The combination of the four selected criteria leads to the identification of the most critical suppliers to which Evora Equity is exposed in its supply chain, who are prioritized in the implementation of further assessment and monitoring measures.

The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.

ERLP and Kintec operate within subsets of the electronics and garment (footwear) industries respectively. These industries have been identified as at high risk for forced or child labour practices by the USA’s Department of Labour’s Bureau of International Labour Affairs (ILAB). In particular, and according to ILAB and the Global Slavery Index, Evora Equity is aware that products that it retails may be manufactured in the following countries identified as at material risk for potentially utilizing forced or child labour:

Business Entity/Sector	Manufacturing Country	Walk Free Global Slavery Index Prevalence Rating
ERLP – Electronics	China*	Low-Moderate
	Dominican Republic	Moderate
	India	Moderate
	Indonesia	Moderate
	Malaysia	Moderate
	Mexico	Moderate
	Romania	Moderate
	Thailand	Moderate
	Turkey	High
Kintec – Apparel and Accessories	Brazil	Moderate
	Cambodia	Moderate
	China*	Low-Moderate
	Columbia	Moderate
	Dominican Republic	Moderate
	El Salvador	Moderate-High
	Georgia	Moderate

	Guatemala	Moderate
	Honduras	Moderate
	India	Moderate
	Indonesia	Moderate
	Jordan	High
	Lithuania	Moderate
	Malaysia	Moderate
	Mexico	Moderate
	Moldova	Moderate-High
	Nicaragua	Moderate
	Pakistan	High
	Philippines	Moderate
	Sri Lanka	Moderate
	Thailand	Moderate
	Turkey	High
Kintec – Footwear & Equipment	Bangladesh	Moderate
	Brazil	Moderate
	Bosnia & Herzegovina	High
	Bulgaria	Moderate-High
	Cambodia	Moderate
	China*	Low-Moderate
	Croatia	Moderate
	Dominican Republic	Moderate
	Honduras	Moderate
	India	Moderate
	Indonesia	Moderate
	Mexico	Moderate
	Mayanmar	High
	Pakistan	High
	Philippines	Moderate
	Sri Lanka	Moderate
	Thailand	Moderate
	Ukraine	High
Kintec - Orthotics	China*	Low-Moderate

*While China is rated low-moderate in the 2023 Walk Free Global Slavery index, there are regions in the country (Uyghurs area) where the prevalence is documented to be much higher.

All ratings based on Walk Free 2023 Global Slavery Index.

As noted above. Evora Equity’s operating companies review publicly available information regarding the risks noted above. In particular, the operating entities noted below can review and assess modern slavery statements from a large proportion of their tier 1 supply chain organizations. Based on the total vendor spend of fiscal 2023, relevant proportions are as follows:

- Evora Respiratory LP > 82%
- Kintec Footlabs Inc. > 65%

In addition, Evora Equity is able to review related policies and actions that arise out of those vendors' assessment of the risks of child and forced labour as noted in those reports. A couple examples of these actions include the acceleration of tier 1 and 2 supplier facility audits undertaken by our major footwear suppliers and the implementation of Vendor Codes of Conduct across our combined supply chain. Evora Equity reviews these reports extensively to ensure that actions taken are conforming to its policies and procedures.

Measures taken to remediate any forced labour or child labour.

Historically, aside from monitoring for information that may be available in the general press and assessing what actions, if any, should be taken in recognition of adverse events, Evora Equity has not undertaken measures to remediate forced or child labour. It must be highlighted however, that Evora Equity is currently not aware of any incidences of such transgressions. Moving forward, Evora will develop response policies to ensure we are ready to react and remediate should incidences of forced labour be identified.

Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.

To date, Evora Equity is not aware of instances of child labour or forced labour in its supply chain. It thus follows that Evora Equity's operating companies have not been able to identify any instances of loss of income of vulnerable families that result from measures taken to eliminate the use of forced or child labour in its supply chains. Practically, however, due to its small size and lack of market influence, there is little Evora Equity will be able to do outside the use of moral suasion in such types of efforts. Evora Equity intends to continue monitoring its vendors for the potential of these types of risks and hold discussions with vendors as appropriate.

Training provided to employees on forced labour and child labour.

Training sessions for our procurement teams have been completed to heighten their awareness of our anti-slavery policy and to enhance their awareness of how to mitigate modern slavery risks, as well as to promote their understanding of our newly developed internal due diligence processes. Training on identifying, preventing and mitigating modern slavery will be provided to a broader group of employees during the next reporting period as part of general compliance training. Evora Equity believes in the importance of robust risk mapping processes, compliance with the anti-slavery policy and due diligence processes in order to drive improvements and has taken steps to align (to the extent practicable) modern slavery related risk management practices across Evora Equity entities by encouraging dialogue between key internal stakeholders and by broadening the cross-entity responsibilities of the local procurement teams.

Effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains.

Given that Evora Equity's operating businesses, ERLP and Kintec, are small and lack resources to effectively materially impact its global supply chains, in addition to its own codes of conduct to govern domestic employee operations, it relies on the efforts of its large suppliers to ensure its adherence to company labour policies and ensure effectiveness. This approach will be evident in our development of performance indicators as outlined below.

Performance Indicators

We are in the process of designing our program by which to measure our effectiveness in making progress in our efforts to combat modern slavery. We intend to track a range of key performance indicators, potentially to include:

- The number of suppliers who have acknowledged our Business Partner Code of Conduct;
- The number of supplier audits conducted each year by our tier 1 vendors;
- The number of workers trained on our policies and procedures, part of them related to modern slavery; and
- The number of reported incidents of modern slavery by our tier 1 vendors submitting modern slavery act reports.

We will use these performance indicators to identify areas where we need to improve and to measure our progress over time.

Conclusion and Attestation

We recognize that addressing modern slavery risks in our supply chain is an ongoing journey and that diligence is always required. Therefore, we intend to regularly assess our progress and impact to identify areas for improvement and ensure we are meeting our commitments. We have identified a number of key measures that will receive focus in coming years as we seek to reinforce a policy of continuous improvement in our fight against modern slavery. Among other measures, these will include lowering the materiality level in relation to supplier mapping processes, digging deeper into our global supply chain in our risk-mapping activity, and measuring the performance of our key suppliers by their supply chain auditing activities.

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.



Jeff Block
Managing Director

May 29, 2024

I have the authority to bind Evora Equity Inc.