

## Forced Labor and Child Labor in Supply Chains Report – 2025

Argon Medical Devices, Inc.

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### 1. Reporting Scope and Statement

This report has been prepared in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (S-211)* and Public Safety Canada guidance. It describes the steps taken during the 2025 reporting period to prevent and reduce the risk of forced labor and child labor in Argon Medical Devices, Inc. operations and supply chains.

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#### (a) Structure, Activities, and Supply Chains

Argon Medical Devices, Inc. is a U.S.-based manufacturer headquartered in Plano, Texas, with manufacturing facilities in Athens, Texas; Wheeling, Illinois; and Rochester, New York. The company designs, manufactures, and distributes medical devices globally, including distribution into the Canadian market.

Argon operates a global supply chain of approximately 925 suppliers supporting:

- Finished medical devices
- Components and raw materials
- Contract manufacturing and sterilization services
- Engineering, regulatory, and technical services

Suppliers are classified under the Quality Management System (QMS) by type (e.g., critical device components, service providers, distributors) and are managed through formal supplier controls. The supply chain consists primarily of Tier 1 direct suppliers. Sub-tier supplier visibility is limited and managed through contractual obligations requiring compliance with Argon standards.

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#### (b) Policies and Due Diligence Processes

Argon maintains policies prohibiting forced labor, child labor, bonded labor, and human trafficking, including:

- Supplier Code of Conduct (mandatory for all approved suppliers)

- Quality Management System procedures governing supplier qualification and monitoring (CAQ-QA-035)

### **Due Diligence Process (Implemented Controls)**

Supplier onboarding and lifecycle management includes:

- Initial supplier qualification review, including:
  - Risk classification (S1–S5 or product-based categories)
  - Assessment of supplier capability and regulatory compliance
- Execution of Quality Agreements requiring:
  - Compliance with labor, human rights, and regulatory standards
  - Right of audit and requirement to maintain records
- Ongoing supplier monitoring through:
  - Quarterly supplier scorecards
  - Performance review and management review integration
- Documented supplier files maintained in the QMS

Suppliers are contractually required to:

- Ensure all labor is voluntary
- Prohibit retention of identity documents
- Eliminate recruitment fees and coercive practices

Non-compliance triggers escalation through supplier quality processes, including corrective action requests (SCARs), suspension, or disqualification.

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## **(c) Risk Identification**

Argon identifies forced labor risk through a structured assessment of:

- Geographic location
- Supplier category
- Nature of supplied materials or services

### **Key Risk Determinations:**

- **Low risk** within Argon internal operations due to U.S.-based employment practices and regulatory oversight
- **Higher risk exposure** in upstream supply chains, particularly in:
  - International sourcing regions with known labor enforcement gaps
  - Certain manufacturing and material sourcing activities

Risk is evaluated using country-level indicators and supplier classifications. Medical device manufacturing, engineering, and regulated services are assessed as lower inherent risk sectors relative to global high-risk industries; however, risk is not eliminated.

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## (d) Measures to Assess and Manage Risk

Argon applies a documented risk framework combining supplier classification and country-level risk indicators.

### **Risk Assessment Methodology**

- Country-level risk evaluated using the U.S. Department of State Trafficking in Persons (TIP) Report
- Risk categories:
  - Tier 1: Low risk
  - Tier 2 / Tier 2 Watch List: Moderate risk
  - Tier 3: Elevated risk

### **Supplier Distribution (2025)**

- Tier 1: Majority of suppliers
- Tier 2 / Tier 2 Watch List: Limited portion
- Tier 3: Minimal portion

### **Risk Management Actions**

- All suppliers subject to qualification and monitoring controls
- Elevated risk suppliers (Tier 2 Watch List / Tier 3) require:
  - Enhanced review during qualification and requalification
  - Increased monitoring through performance evaluation
- Supplier performance is reviewed quarterly and escalated through management review when risk indicators are identified

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**Residual Risk** Forced labor risk remains a global concern. Argon reduces this risk through supplier selection, monitoring, contractual requirements, and governance processes.

## (e) Remediation Measures

During the reporting period, no instances of forced labor or child labor were identified within Argon operations or approved supplier base.

### **Defined Remediation Process (if identified):**

- Immediate investigation initiated by Quality and Compliance
- Containment actions to address impacted supply
- Issuance of corrective action to supplier with defined timelines
- Verification of correction prior to continued business
- Escalation to supplier suspension or termination if unresolved

All remediation activities would be documented within the QMS.

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## (f) Remediation of Loss of Income

No cases were identified requiring remediation of loss of income.

### **Established Approach (if required):**

- Evaluation of appropriate corrective measures aligned with regulatory guidance and ethical sourcing practices
  - Engagement with supplier to ensure affected workers are not adversely impacted by corrective actions
  - Consideration of remediation measures proportionate to the identified issue
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## (g) Training

Training on forced labor and ESG-related requirements was implemented as follows:

- Compliance personnel completed structured ESG training through Assent University, including assessment verification
- Training content includes:
  - Forced labor awareness
  - Supplier compliance expectations
  - Regulatory reporting requirements

### **Planned Expansion**

- Training rollout to:
  - Purchasing
  - Supplier Quality Engineering
  - Quality Management personnel

Future training will be:

- Role-based
- Periodically refreshed

- Tracked for completion
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## (h) Assessing Effectiveness

The effectiveness of Argon's program is evaluated through existing and developing metrics.

### **Current Measures**

- Completion of supplier qualification and approval
- Monitoring of supplier performance through scorecards
- Documentation of supplier compliance within the QMS

### **Enhancements in Progress**

- Development of formal effectiveness metrics, including:
    - Supplier risk categorization trends
    - Supplier performance ratings
    - Corrective action trends (where applicable)
  - Integration of effectiveness indicators into management review
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## Approval and Attestation

This report has been reviewed and approved by authorized management of Argon Medical Devices, Inc.

I attest that the information in this report is true, accurate, and complete to the best of my knowledge and that I have the authority to bind the organization.



### **Christopher Mix**

Manager, QA Compliance

Argon Medical Devices, Inc.

Athens, Texas

Date: May 13, 2026

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