



**VENTRIPOINT DIAGNOSTICS LTD.**

# **MODERN SLAVERY REPORT 2023**

**DATED MAY 30, 2024**

**Report on Fighting Against Forced Labour and Child Labour in Supply Chains  
For the Financial Year Ended December 31, 2023**

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## ABOUT THIS REPORT

Ventripoint Diagnostics Ltd. (“**Ventripoint**” or the “**Company**”) has prepared this Fighting Against Forced Labour and Child Labour in Supply Chains Report (the “**Report**”) in accordance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023)* (the “**Act**”) for the financial year ended December 31, 2023.<sup>1</sup> This is a joint report made under Section 11 of the Act on behalf of Ventripoint, and it’s wholly owned Subsidiary Ventripoint Inc., a Delaware corporation. (“**Subsidiary**”).

This Report describes the steps taken by Ventripoint to assess and address Ventripoint’s risks with respect to forced labour and child labour (“**Modern Slavery Risks**”).<sup>2</sup> In this Report, unless otherwise stated, references to the “**Ventripoint**”, the “**Company**”, “**we**”, “**us**”, “**our**” and similar expressions include the Subsidiary. Monetary amounts in this Report are expressed in CAD dollars, unless otherwise stated.

Ventripoint is committed to operating with high ethical standards and compliance with all applicable laws, rules and regulations. This commitment includes, among other things, adherence to the Company’s Code of Business Conduct and Ethics and Corporate Governance Policies all of which apply to our directors, officers and employees.

## ABOUT OUR BUSINESS

### Our Business

Ventripoint is a medical device company engaged in the development and commercialization of diagnostic tools to monitor patients with heart disease – a leading cause of death for both men and women worldwide.

The Company is developing a suite of applications for all major heart diseases and imaging modalities, including congenital heart disease, pulmonary hypertension and cardiotoxicity in oncology patients – to improve health outcomes associated with a leading cause of morbidity and mortality. By using images produced from existing medical imaging systems, the Ventripoint Medical System (VMS™) generates accurate heart volumetric measurements and a three dimensional model in a rapid and inexpensive manner. Ventripoint’s solution produces critical heart information by processing standard information received from existing medical imaging equipment with its patented and proprietary methods incorporating algorithms and proprietary cardiac databases (sometimes called catalogues). The VMS enables medical professionals to economically obtain accurate three-dimensional models from which critical volume and functional measurements of a patient’s heart chambers are derived in only a few minutes more than the time needed for a routine echocardiogram. Measuring volume and function is fundamental in evaluating patients to determine the severity and progression of their disease, assess the effectiveness of treatment, gauge prognosis and decide on the timing of surgical and pharmacological interventions. These key measurements and the 3D model for visual assessment provide medical professionals with some of the critical information necessary for clinical diagnosis and monitoring of their patients.

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<sup>1</sup> This Report has not been externally assured.

<sup>2</sup> Ventripoint has prepared this Report based on information available to it at the time of preparation. This Report contains forward-looking statements relating to Ventripoint’s policies and practices with respect to modern slavery risk management, including statements of current intention and expectation and statements of opinion. There can be no assurance that such statements will prove to be accurate, as Ventripoint’s actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed as Risk Factors section in Ventripoint’s Management Discussion & Analysis dated April 29, 2024 for year ended December 31, 2023, which is available at [www.Ventripoint.com](http://www.Ventripoint.com) or on SEDAR+. Except as required by applicable laws or regulations, Ventripoint does not undertake to publicly update or review any forward-looking statements.

The Company's Knowledge Based Reconstruction method, a form of Artificial Intelligence (AI), allows for the creation of a three dimensional model of all the chambers of the heart; right and left ventricles, and right and left atria, using images generated from existing 2D and 3D imaging equipment. The VMS+ system is based upon patented and proprietary technology that Ventripoint has licensed on an exclusive basis from the University of Washington. The VMS+ system and VMS+ software have US FDA marketing clearance, Health Canada license and European CE Mark for all patients where volumetric information for any of the 4 chambers of the heart is warranted or desired.

## **Structure**

Ventripoint Diagnostics Ltd. was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on May 4, 2005 under the name "Luca Capital Inc.". On September 18, 2007, the Company completed a business combination with Ventripoint, Inc., was continued under the Canada *Business Corporations Act* and changed its name to "Ventripoint Diagnostics Ltd."

Ventripoint Inc. was incorporated in the State of Washington in July, 2004 and commenced operations in January, 2005. Ventripoint Inc. is a wholly owned Subsidiary of the Company. Ventripoint Inc. was migrated to the State of Delaware on December 21, 2017.

The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan and Ontario, and the Company's common shares trade on the TSXV under the trading symbol "VPT" and on the OTC under the trading symbol "VPTDF".

The Company's registered office and head office is located at 18 Hook Avenue Unit 101, Toronto, ON, M6P 1T4.

As at December 31, 2023, Ventripoint had approximately ten employees, almost all of whom were employed on a permanent basis and based in the head office in Toronto, Ontario. The Company also has contractors in the U.K., E.U. and U.S.A.

## **Governance**

Ventripoint's Board of Directors oversees the Company's approach to risk management, which includes risks related to human rights. Each committee of the Board oversees risks within its functional area. Oversight of human rights risks, including Modern Slavery Risks, falls within the mandate of the Compensation Committee (the "**Compensation Committee**").

Ventripoint's President and Chief Executive Officer ("**CEO**") has ultimate responsibility for oversight of risk management, including Modern Slavery Risks. The CEO is assisted by the Chairman of the Board of Directors ("**Chairman**"), who is responsible for the management and governance of Modern Slavery Risks and compliance with applicable laws. Ventripoint's procurement personnel work to identify, assess and manage Modern Slavery Risks in our supply chain. The CEO reports quarterly to the Compensation Committee.

## **Overview of Our Supply Chain**

The vast majority of Ventripoint's procurement activities occur through the Administrative Coordinator. Ventripoint procures a limited range of goods and services to support our product development, production and sustainability activities.

Our procurement is managed by our Administrative Coordinator based at the Company's head office in Toronto, Canada. The Administrative Coordinator is responsible for procurement governance, with local oversight by the Chief Financial Officer, and oversight by Ventripoint's CEO and Chair, both of whom are located in Canada. By expenditure, most of our procurement is done pursuant to Ventripoint's standard form contract which requires suppliers to comply with all applicable laws.

Since the Act was passed in May 2023, Ventripoint conducted a supplier mapping exercise to facilitate a more comprehensive understanding of the various Modern Slavery Risks that may be present in its supply chain. Most of Ventripoint's supply chain activities take place in Canada and the United States. In 2023, Ventripoint engaged with 12 direct suppliers globally, 8 (approximately 65%) of which were based in the Canada and 4 in the United States.

When measured by value, the majority of Ventripoint's 2023 total procurement expenditure was spent supporting local Canadian businesses and service providers. The remaining expenditure occurred in the United States.

In 2023, key goods and services procured included:

- Tablet computers
- Wheeled stands
- Electronic components for sensors and leads

## **OUR POLICIES AND DUE DILIGENCE PROCESSES**

Ventripoint's corporate governance policies set out our commitment to acting lawfully, ethically and responsibly and define the Company's expectations of acceptable business practices. Together, the following policies form a framework of standards required of our directors, officers, employees and contractors to ensure human rights are respected, and to identify and appropriately address Modern Slavery Risks in our operations and supply chains:

- **Code of Business Conduct and Ethics** – requires directors, officers, employees, and contractors of Ventripoint to act honestly, with integrity and in compliance with all applicable laws and regulations in fulfilling their duties and responsibilities.
- **Ventripoint Code of Ethics for Senior Officers** – requires senior officers of Ventripoint to act honestly and ethically and to comply with both the letter and spirit of all applicable laws.
- **Terms of Reference for the Board of Directors** – requires the directors of Ventripoint to oversee management of the Company including reviewing and monitoring compliance with all significant policies and procedures by which the Company is governed and requiring management to operate at all times within applicable laws to the highest ethical and moral standards.

Ventripoint has adopted and is implementing policies relevant to the prevention and mitigation of forced labour and child labour in our operations and supply chains.

While Ventripoint recognizes limitations in fully investigating all activities and participants in our supply chain, Ventripoint actively reviews its suppliers for legal and regulated compliance, as it is standard within its regulated industry. Ventripoint is committed to compliance, throughout its supply chain, with all legislation including the Act, in order to reduce Modern Slavery Risks in our supply chain. Ventripoint generally considers forced labour and child labour to be low risk within our supply chain due to it dealing with well-established and highly-regulated suppliers. The Company will evaluate additional due diligence

measures including both policies and procedures to further minimize the risk of forced labour and child labour in our supply chain.

## **POTENTIAL MODERN SLAVERY RISKS**

### **Our Operations**

To date, Ventripoint's risk management approach has focused on risks to employees in our own operations, including respecting the safety and human rights of our employees.

We acknowledge that understanding the risks of forced labour and child labour in our supply chains is critical to targeting our actions and engagement with our suppliers. We are committed to improving our understanding of the risks in our supply chain, including by engaging in research, mapping our supply chain against publicly available information, and seeking feedback from workers, manufacturers, and distributors.

We recognize risks of forced labour and child labour in the global supply chain include vulnerable populations, such as domestic and foreign migrant workers, temporary workers, and young workers, and region-specific risks, such as countries with large populations of migrant workers, weaker employment law enforcement, where charging workers for recruitment fees is a common practice, or where prevalence of modern slavery has been documented.

Furthermore, Ventripoint's employment practices ensure that our employees do not face exploitative treatment such as slavery, forced labour, or servitude. These employment practices include:

- Our entry level minimum salary is above the legal minimum salary established for the industry sector in Canada.
- Our salaries are competitive according to the national benchmark.
- Working hours are within the legal approved work shifts and overtime within the limits stipulated by local Ontario law.
- We do not hire individuals below the age of 18.

In 2024, we plan to undertake a human rights risk assessment of our entire operations, a component of which will include Ventripoint's workforce.

The nature of our industry and location of our operations means that our workforce consists of skilled, qualified and experienced individuals located in Canada. In consideration of our skilled workforce and policies and procedures, Ventripoint considers the risk that our operations may cause or contribute to modern slavery or child labour to be relatively low.

### **Our Supply Chain**

Since the Act was passed in May 2023, Ventripoint has worked to implement measures to prevent and reduce the risk of forced labour and child labour in its supply chains.

At the time of this Report, the assessment of Modern Slavery Risks within Ventripoint's supply chain is a work in progress. However, as discussed above under "Overview of Our Supply Chain", Ventripoint has completed a supplier mapping exercise that considered the nature of the goods and services sourced by the Company, the number and location of the Company's direct suppliers and, by total annual expenditures, a breakdown by region and country to identify high-risk procurement activity. Moreover, in assessing our supply chain we considered the fact that the United States and Canada are believed to be relatively low risk contractors with respect to Modern Slavery Risks.

Based on this assessment, we identified the following procurement categories as presenting a potential risk in our supply chains because of geographical location, industry and product:

- Information Technology (“IT”) equipment

## **REMEDICATION**

As of the date of this Report, Ventripoint has not identified any instances or allegations of forced or child labour within its own work force or its supply chain. If Ventripoint determines that it has caused or contributed to any instances of modern slavery, Ventripoint intends to cooperate with the impacted parties to develop an approach to remediation tailored to needs of the impacted parties. With no instances yet requiring remediation, Ventripoint’s focus has been to prevent and mitigate potential adverse impacts.

## **TRAINING**

In 2024, Ventripoint conducted in-person, mandatory internal training sessions with the Company’s Administrative Coordinator and CFO, who are based in Toronto, Ontario. The training materials were prepared in house and focused on raising awareness about Modern Slavery Risks, the roles these individuals have in identifying, preventing, and reporting on allegations or instances of modern slavery, and implementation of specific screening tools for Modern Slavery Risks for Ventripoint’s suppliers.

## **ASSESSING EFFECTIVENESS**

As Ventripoint continues the development of its program to prevent Modern Slavery Risks in 2024, it will consider and implement measures to assess the effectiveness of these processes.

## **OUR PLANS FOR 2024**

Ventripoint is committed to continuous improvement in all aspects of our business operations, and this extends to our commitment to take meaningful steps to identify and combat Modern Slavery Risks and maintain a responsible and transparent supply chain.

In 2024, we intend to continue all current actions to address Modern Slavery Risks in our business and supply chain. In addition, we are planning the following actions for 2024:

- Completion of a human rights assessment, which will include reviewing Modern Slavery Risks.
- Development of ongoing workforce training and awareness building.
- Review of Ventripoint’s policies and procedures.
- Screening of all active vendors complete by end of 2024, including the use of a modern slavery questionnaire for all suppliers who are assessed to have a medium to high risk profile.
- Development of risk-based training for suppliers in our supply chain.
- Further education for our employees related to available reporting mechanisms.
- Review of our Whistleblower and grievance mechanisms to identify potential areas of improvement.

## **APPROVAL AND ATTESTATION**

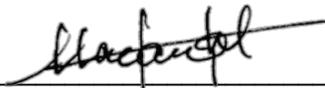
This Report was approved by the Board of Directors of the Ventripoint on May 29, 2024, on behalf of itself and its Subsidiary.

In my capacity as an officer and a director of the Ventripoint and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

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 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 authority to bind Ventripoint Diagnostics Ltd.

**VENTRIPOINT DIAGNOSTICS LTD.**



Hugh MacNaught  
Chief Executive Officer  
May 30, 2024

**Forward-Looking Information**

Certain statements contained in this Report constitute forward-looking information. Although the Company believes that the expectations reflected in the forward-looking information are reasonable based on the information available on the date such information is given made and processes used to prepare the information, such information is not a guarantee of future performance and no assurance can be given that the expectations will prove to be correct. Forward-looking information should not be unduly relied upon. Such information involves a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those anticipated by such forward-looking information. Actual results could differ materially from those anticipated in the forward-looking information as a result of a variety of risk factors, many of which are beyond the control of the Company. Due to the interdependencies and correlation of these risk factors, the impact of any one material assumption or risk on a forward-looking statement cannot be determined with certainty. For additional information about the principal risks the Company faces, see risk factors set out in the Company's Management's Discussion and Analysis for the year-ended December 31, 2023. The forward-looking information contained herein reflects Management's expectations as of the date of this Report and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.