

cority

empower better

*Fighting Against Forced Labour and
Child Labour in Supply Chains*

**Cority Software Inc.'s
2023 Annual Report**



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1| About this Report

This report is made by Cority Software Inc. (“**Cority**”) pursuant to Canada’s recently introduced *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). The use of the terms “forced labour” and “child labour” in this report have the meanings ascribed to them by the Act.

This report describes the efforts undertaken by Cority to minimize the risk of using any forced and child labour in its supply chain process. The report covers Cority’s activities from January 1 to December 31, 2023 (the “**Reporting Period**”).

Unless otherwise indicated, all references to “we”, “us”, “our” and “the company” in this report shall mean Cority.

2| Our Business

Cority was founded in 1985 in Canada as Medgate Inc. The company began as a provider of Occupational Health (OH) software for organizations across Canada. In 2017, Medgate re-branded to Cority. Cority is now amongst the global leaders in Software-as-a-Service (SaaS) based Environmental, Health, Safety, Quality (EHSQ), and Sustainability software. The company serves over 1,600 global customers with more than 2 million end users in 120 countries.

2.1 Company Structure

Cority is a corporation governed by the *Business Corporations Act (British Columbia)* and the company’s head office is based in Toronto, Canada.

The company serves as the parent entity of the Cority Group of Companies (“**Cority**

Group”) and the company’s subsidiaries as part of the Cority Group include Medgate Australia Pty Ltd, Cority Software (USA) Inc., Cohort Software Ltd, WeSustain GmbH, Greenstone+ Ltd, Greenstone+ Inc., SIRSA, Reporting 21 NA Inc. and Cority France SAS.

Cority Group has over 600 employees who work across the globe with offices in North America, Europe and Australia.

2.2 Our Activities - Products & Services

The company is a software as a service provider that develops Environmental, Health, Safety and Quality (EHSQ) and Sustainability software solutions to serve clients in many industries such as Aerospace, Healthcare and Oil & Gas. Our CorityOne™ platform integrates the full spectrum of EHSQ and Sustainability software to offer featured solutions such as Occupational Health, Industrial Hygiene, Air Emissions & Water Management, and EHS Analytics.

Cority also provides sustainability and Environmental, Social, and Governance (ESG) advisory services to clients including investment funds. Cority’s assessment of an entity’s ESG performance, for example its carbon footprint impact, helps clients monitor the risk, compliance and worth of their investments.

2.3 Supply Chain

Cority’s supply chain mainly consists of suppliers providing software, information technology (IT), data hosting and marketing services.

Since we are an organization engaged in the software line of business, our procurement for the purpose of client



offerings is primarily for intangible products and services such as software licenses and sub-licenses, cybersecurity and cloud computing platforms. Our procurement for the purpose of maintaining Cority's operations is also for intangible services such as advertising, corporate event management and professional consulting services.

For the services we procured during the Reporting Period, the majority of our vendors were based in Canada, the United States of America and the United Kingdom while some of the vendors were located in France and Australia.

3| Policies & Due Diligence

All of our business partners, consultants, vendors and suppliers (collectively referred to as "**Interested Parties**") are expected to operate in accordance with the applicable laws, rules and regulations of the countries in which we operate and to be diligent about compliance with these laws.

We have established the [Anti-Slavery Statement](#) to ensure all Interested Parties comply with the applicable laws against forced labour. Additionally, we have implemented internal policies regarding ethical business practices such as commitment to the conservation of the environment, prevention of fraud, bribery and corruption through [our Employee Handbook](#) (the "**Handbook**").

As a software as a service provider, the majority of Cority's transactions with suppliers are related to IT services. Cority's [Supplier Relationships Policy](#), has been created to manage and apply information security controls to functions that are outsourced to external providers, in order to

reduce the information security risks associated with outsourcing.

As we continue to evolve into a larger organization and expand our procurement interests, Cority strives to create additional frameworks, such as supplier code of conduct and supplier questionnaires, to help increase the company's due diligence efforts for forced labour and child labour in the supply chain process.

3.1 Governance

Cority's Human Resources (HR) Department, Cority's Executive Team and Cority's Board of Directors (the "**Board**") work together to govern the company's corporate responsibility with a view of ensuring that the Cority Group operates in accordance with best practices which includes compliance with any applicable requirements for assessing and alleviating the risks of forced labour and child labour in our supply chain process. More information about the corporate governance process can be found in section 5 – Monitoring and Compliance .

3.2 Anti-Slavery Statement

Cority's Anti-Slavery Statement (the "**Statement**"), which is publicly available on Cority's [corporate website](#), establishes the company's zero-tolerance approach to modern slavery.

The Statement dictates that Cority stands against all forms of modern slavery, including but not limited to, forced and compulsory labour and human trafficking whereby individuals are deprived of their freedom and are exploited for commercial or personal gain.



3.3 *Employee Handbook*

The Handbook outlines applicable laws governing workplace behavior and employee rights and responsibilities.

The Handbook also outlines Cority's code of ethics and business conduct with Cority suppliers. Cority employees are expected to follow fair dealing practices, source from environmentally friendly vendors, avoid inducements or gifts from suppliers and report any illegal or unethical behaviour, which includes forced labour and child labour.

4| **Forced & Child Labour Risks**

4.1 *Identifying, Assessing & Managing the Risks*

As a software as a service provider, there are no material risks of forced labour and child labour in Cority's supply chain. However, there may be risks of forced labour and child labour in its supply chain process when procuring promotional goods such as t-shirts, mugs, and pens bearing the corporate logo. In order to mitigate these risks, Cority works with reputable vendors based in countries that have comparable laws precluding the use of forced labour and child labour.

All directors, managers and employees of Cority are expected to report to the Executive Team any knowledge of a vendor's non-compliance with the applicable laws, rules and regulations against forced and child labour. Due to the company's stance of good faith reporting of suspected misconduct, there is a minimal need for anonymous reporting channels.

The Executive Team along with the General Counsel are required to properly and promptly investigate all reported concerns in strict confidence to the extent possible, take the appropriate corrective action.

If a vendor is found to be non-compliant with forced labour and child labour regulations, the Executive Team may decide that the appropriate corrective action in order to manage the risk, which may include termination of the vendor's commercial relationship.

4.2 *Remediation Measures*

During the Reporting Period, Cority did not receive information about violations of applicable laws or reported use of any forced or child labour by any of Cority's vendors. As a result, no specific measures needed to be taken by Cority to remediate forced labour or child labour in our activities and supply chain process and by extension, no measures needed to be taken to address the loss of income for vulnerable families resulting from measures taken to eliminate the use of forced or child labour in our supply chain process.

4.3 *Training*

During the Reporting Period, the legal department underwent training on the requirements of forced labour and child labour rules adopted in Canada. The legal department oversees contracting with vendors and it is tasked with ensuring that agreements entered into with vendors are compliant laws applicable to the Cority Group.

5| **Monitoring and Compliance**

5.1 *Framework*



The corporate governance process at Cority is collectively overseen by the following processes and decision makers:

- ✚ **Cority's HR Department and Legal Department**, led by the Vice-President of HR, develops the company's policies and procedures, with guidance from Cority's General Counsel as necessary. The HR team and the legal department laid the foundation for Cority's Anti-Slavery Statement and Cority's Handbook. These departments are the first step towards any strategies, policies or mandates established by the company for any environmental, social and governance (ESG) initiatives or other aspects of responsible business conduct (RBC).
- ✚ **Cority's Executive Team**, comprised of six senior executives, is responsible for reviewing the policies developed by the HR Department and the Legal Department. The Executive Team ensures that the company's strategies to uphold ESG and RBC initiatives align with current industry standards and maintain the company's business objectives.
- ✚ **The Board**, comprised of six directors, is informed of the company's performance which includes ESG and RBC plans, as required, during quarterly meetings. The operations of the company's business, including procurement compliance, are all subject to oversight of the Board.

5.2 *Assessing Effectiveness of Measures*

In order to assess the effectiveness of measures undertaken by Cority for ESG initiatives and corporate responsibility, Cority has initiated the following practices:

- ✚ The HR Department annually reviews and updates the Handbook in order to replace all previous inconsistent policies and guidelines. By conducting yearly reviews instead of allowing a longer gap in time between reviews, the HR Department ensures that employees, and the suppliers engaged with Cority, are regularly kept up to date on the current policies and regulations.
- ✚ Cority has set up the Sustainability Committee, comprised of Cority employees who oversee the company's efforts towards sustainability. Some of the initiatives undertaken by the Sustainability Committee include organizing volunteering events, launching employee surveys to help shape Cority's Sustainability Action Plan and data collection for the annual ESG Survey. More information on the Sustainability Committee can be found on Cority's website - [Cority's Sustainability](#).
- ✚ [Cority's 2023 Sustainability Report](#), which is publicly available on its website, highlights the company's sustainability efforts to fulfil its corporate responsibilities.

6| Approval & Attestation



This report is for Cority Software Inc. and has been approved by Cority's Board of Directors pursuant to the provisions of section 11(4)(b)(ii) 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 Cority Software Inc. To the best of my knowledge, and having exercised reasonable diligence, I attest that the information contained in this report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting Period listed above.

I make the above attestation in my capacity as a director of the Board of Directors of Cority Software Inc. for and on behalf of the Board of Directors of Cority Software Inc.

I have the authority to bind Cority Software Inc.

DocuSigned by:
Ryan Magee
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Ryan Magee
President and Director of Cority Software Inc.
May 31, 2024