

Speak Up Policy

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Introduction

Our Speak Up policy is intended to encourage all team members to ask questions, seek guidance and clarifications, or report any concerns that they may have about their workplace and our business. Our Speak Up policy replaces our Whistleblower policy because we wanted to highlight the openness of our culture. As opposed to the older style 'whistleblower' policy where someone might feel 'singled out' for making a complaint, we wanted to create a more open and transparent communication pathway.

Our goal is to create a positive focus on team member concerns. For the company to continually improve, we need a mechanism where all team members are encouraged to report their concerns. This policy is designed to make the process easy to understand, accessible to all, be as transparent and confidential (if required) as possible.

The intent of this policy is to reinforce our commitment to the 'open door' culture where leadership truly desires to learn and understand your concerns. Another benefit of this positively-focused policy is that it will allow concerns to be addressed sooner – before a problem has a chance to grow.

Team members are not only the 'eyes and ears' of the company – they are also our 'heart and soul.' Having team members call out emerging situations, potentially illegal or unethical behaviors, misconduct, or other problems within our organizations, helps solidify our culture of accountability.

Scope

The goal of our Speaking Up policy is to ensure we continuously improve our open, honest, and integrity-driven culture. Integrity requires transparency and this requires a robust mechanism for reporting and honest feedback. We welcome your concerns.

Your concerns can range from your immediate work environment, to your department as a whole, or to the broader operations of the company. We encourage you to speak up. Speaking up includes questions and concerns about suspected violations of the law, our Code of Conduct, or company policies. We encourage and require the immediate reporting of any issues or concerns related to:

- **Workplace Issues:** such as mistreatment, harassment, or discrimination.
- **Safety:** issues, conditions, problems, or concerns regarding the safety our team members, our workplace, or our customers.
- **Policy and Code of Conduct:** Violation of Covalon's Code of Business Ethics and Conduct; or any type of non-conformance in Covalon's internal policies and controls. We have an open-door policy for a reason – please communicate concerns or even suspicions.
- **Accounting and Finance.** Fraud or any deliberate error intended to misrepresent or deceive others for personal or financial gain. Examples could include, but are not limited to accounting, auditing, or financial reporting fraud, such as deliberately overstating revenue, earnings, and assets or concealing liabilities, misappropriation, or misuse of company assets, accepting or seeking anything of material value from suppliers in exchange for favorable treatment, and any form of theft.
- **Quality and Production.** Fraud, misrepresentation, misreporting, or falsification of any quality record or any production, Research and Development, Quality Assurance or Quality Control administration, testing, activities, or documents. This would include the intentional unauthorized destruction of *or change to* any original data, electronic or paper based.
- **Regulatory Affairs.** Fraud, misrepresentation, misreporting, or falsification in any regulatory submission or communication with regulatory authorities, such as the US FDA, Health Canada, or notified body.
- **Associates and Healthcare Provider Interactions:** Fraud, criminal activity, or even a suspicion of illegality in any internal business operations, external business operations in association with third-party providers and vendors, healthcare provider interactions, or confidentiality breaches.
- **Business Operations:** Fraud, identity theft, bribery, managing expenses, misreporting of production information, *or misrepresentations of business performance of any kind.*
- **False Statements:** Misrepresentation or a false statement by or to a director, officer, or employee of Covalon respecting a matter contained in our records, reports, or audits. Transparency begins with truth.

Your concerns can be about your work environment, the company and its direction, its management, or your team's operations. The scope of this policy also includes concerns about our vendors and suppliers, customers, or third-party business partners.

Reporting

Our Speak Up Policy is meant for everyone. Should any team member - in any department - have an issue, concern, or even a suspicion they wish to address, this policy will guide them through our process.

In most cases, it is best to bring your concerns to your direct supervisor. This is usually the quickest and most direct manner to clear up *and work through* any workplace issue. This also demonstrates an open, honest, and transparent team culture.

Should you not wish to speak with your supervisor, you may speak to another staff member in your chain of responsibility (for example, your division's VP). In any and all circumstances, it is also acceptable to communicate with any member of the Human Resources Team. In certain cases, you may wish to contact our CEO directly – or the Board of Directors Audit Committee Chair.

For serious matters, we encourage you to report your concern using any of these options:

- By speaking to the most senior manager in your group or the CEO
 - Brent Ashton, Chief Executive Office
 - Email: Bashton@covalon.com

- By contacting the Vice President of Human Resources
 - Greg Leszczynski, VP of Human Resources
 - Email: gleszczynski@covalon.com

- By contacting the chair of the Audit Committee
 - Ron Smith, Audit Committee Chair
 - Email: ron.smith@ns.sympatico.ca

- By emailing the company's confidential reporting portal
 - Email: SpeakingUp@covalon.com

- By hard-copy mailing the Vice President of Human Resources directly
 - Greg Leszczynski, VP of Human Resources
 - 1660 Tech Ave., Unit 5, Mississauga, ON, Canada, L4W 5S7

In preparation for your report, the reporting team member should prepare and provide as much detailed information as possible. This will help with the examination, assessment, and the investigation of your concern. As an example, please provide:

- A description of the incident or concern. Remember, the nature of your issue can range from financial misappropriation, workplace harassment, to a safety concern, etc.

- As many details as possible, thinking of your report in the summarized '5 W's method, who, what, when, where, and why.' Other descriptive elements could include time details, photos, documents, print-screens of computers, or other physical descriptors.

- If possible, please provide the names of team members who are involved or can contribute information to detailing the issue.

Timing is very important. Should a team member become aware of an issue or serious violation, please report it immediately. This is especially important for safety concerns or incidents where the law has

been broken. Timely reporting allows for the company response to be conducted in a timely manner – hopefully preventing further unsafe or illegal incidents.

Confidentiality, Anonymity, and Privacy

All team members are encouraged to communicate and interact with their leadership team. It is this open transparency that strengthens our team. Teams become stronger and more resilient when they can discuss problems, difficulties, and concerns in a psychologically safe environment.

All reports will be handled in a confidential manner and with respect towards maintaining the privacy of the reporter. Covalon will take great care in safeguarding the reporter's anonymity. However, depending on the nature of the violation – or even crime – this may not be possible. In such cases, knowing the identity of the reporter is critical to conducting a thorough investigation.

Covalon also anticipates that the reporter will treat the company and our team members with respect. This respect can be shown by the reporter by using the proper channels to report a concern – and not publish the concern on a public site (blog, discussion board, job board, chat room, etc.). Reporting in this manner would be considered inappropriate – as this type of communication can unfairly affect the investigation.

Retaliation is Prohibited

Retaliation is prohibited! Covalon will not tolerate *any form* of retaliation or reprisals towards a team member who has made a report – or a team member that has cooperated in the investigation of a report.

Any team member that is found to have engaged in retaliation will be subject to disciplinary actions, up to and including employment termination. Reports of retaliation will be investigated with the same level of vigor as complaints.

The company will investigate every report of retaliation or team member mistreatment. To maintain a positive, collaborative, and transparent culture of continuous improvement, we encourage all team members to voice their concerns, ask for help and guidance, and report incidents which conflict with our culture and Code of Conduct. Our encouragement cannot be met by any type of reprisal. *Reprisals are contradictory to our goal of encouraging our team members to speak up!*

Investigations

All reports will be taken seriously and investigated thoroughly. Issues related to safety, policy, business operations such as finance and regulatory, quality, and breaches of our Code of Conduct will be reviewed, assessed, and assigned to the appropriate investigators. Investigations will be conducted in a transparent, honest, and thorough manner. Whenever possible, the confidentiality of the reporter will be maintained, and all investigation steps will be done with utmost discretion.

The company will conduct the investigation process to ensure fairness and impartiality. Once the investigation begins, there are elements of the investigation which cannot be confidential; for example, speaking with witnesses, team members, and other corroborative factors.

When possible, the investigator will communicate the results of the investigation with the reporter, if known. Should the reporter not believe the investigation was complete, or accurate, they may also take their concerns to the CEO and/or of the Chair of the Board of Directors Audit Committee.

As with any type of communication protocol, the Speak Up policy should not be abused – or used maliciously. Making a false report is unacceptable and will result in disciplinary action. This should not be considered a chilling effect to the reporting protocol. Every team member should feel empowered to report their concerns - encouraged to submit suspicions – and authorized to file even an incomplete report. However, making a false report will not be tolerated.

Policy Administration

This policy will be communicated to each team member during their new hire onboarding activities. In addition, this policy will also be communicated to each team member every year.

Each report will be responded to immediately and communicated to the CEO and Board of Directors.

On a quarterly basis, the designated Speak Up Policy Administrator, the VP of Human Resources, will prepare a written report regarding the operation of the Speak Up Policy and procedure to provide to the Audit Committee. This report will specify, among other things:

- A. The number of complaints received during the prior fiscal quarter.
- B. A summary of all complaints received, by relevant category,
- C. The reporting avenues used by persons reporting complaints, and
- D. The current investigation status of each complaint.

The Audit Committee may request specialized courses of action for any complaint, including the retention of outside counsel or other advisors in accordance with the terms of the Audit Committee Charter.

The Audit Committee shall retain all relevant records relating to any Complaints received or reports of any reprisals (as set out above) as required by Applicable Laws. The types of records to be retained by the Audit Committee shall include records (whether physical or digital) relating to any investigation into a Complaint and the results of any such investigation.

The Audit Committee shall review this Policy on a periodic basis to determine whether the procedures established under this Policy operate effectively in respect of the receipt, retention, and treatment of Complaints and in providing a confidential and anonymous procedure to report violations or Complaints as may be required by Applicable Laws.

- Publication of the Policy on Website: This Policy will be posted on Covalon’s website at: <http://www.covalon.com/>

This Policy is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees, or other persons, or to any other liability whatsoever on their part.

Dated: December 3, 2024