
Annual Report: Upholding Our Commitment to Eradicating Forced, Child, and Indentured Labor in our Supply Chain (Bill S-211)

Date: May - 2025

Prepared For: Our Valued Stakeholders

Prepared By: North West Rubber Ltd.

I. Our Unwavering Commitment

At North West Rubber Ltd., our core values of *Respect for All*, *Own It* and *Results Oriented* serve as a lighthouse, guiding us to act with integrity and ethical conduct, in all our activities. Our commitment to preventing Forced, Child and Indentured Labour, is enshrined in our corporate policies, supplier code of conduct, and is a fundamental principle guiding every aspect of our procurement, supply chain and operations. We believe that every individual deserves to work in an environment that is safe, fair, and free from exploitation. This annual report details the proactive steps we have taken over the past year (Jan 2024 – Dec 2024) to reinforce this commitment and ensure our global operations adhere to the highest standards of labor ethics.

II. Policy and Governance Enhancement

During this reporting period, we've actively reviewed and strengthened our internal policies and governance frameworks to ensure they are robust and effective in preventing forced, child, and indentured labor.

- **Dedicated Forced Labor Policy:** A significant achievement this year was the formal development and implementation of our stand-alone **Forced Labor Policy**. This comprehensive document clearly defines our zero-tolerance stance, outlines specific prohibitions, and details our due diligence expectations across the supply chain. This is posted on our website for all to see.
 - **Policy Review & Update:** Our Purchasing Policy, Outsourced Supplier Approval Policy and Supplier Evaluations form were all re-evaluated against regulatory requirements. Minor amendments were made to enhance clarity on specific prohibitions.
 - **Contractual Clauses:** We've reinforced contractual clauses with all new and renewed suppliers. These clauses now include clear provisions for audits and corrective actions.
 - **Internal Training & Awareness:** Key individuals in our supply chain were trained on our policies. This helped to increase our understanding of due diligence processes and ensured proper remediation protocols are followed.
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III. Supply Chain Due Diligence and Monitoring

Our primary focus remains on maintaining transparency and accountability throughout our global supply chain. We recognize the complexities of international sourcing and have intensified our due diligence efforts.

- **Supplier Evaluation Form:** A new, comprehensive **Supplier Evaluation Form** was developed and integrated into our onboarding process.
- **Supply Chain Mapping:** We successfully completed the initial phase of our **supply chain mapping** initiative for our mat making and outsourced products.
- **Supplier Audits:** Over the past year, we initiated the auditing of key suppliers, specifically focusing on human rights and child labour compliance.

IV. Outcomes

- 100% of audited suppliers met our initial compliance threshold.
- No confirmed cases of forced, child, or indentured labor were identified within our direct supply chain during this reporting period.

V. Looking Forward

Our commitment to eradicating forced, child, and indentured labor is an ongoing journey. In the coming year, we plan to:

- **Expand Audit Scope:** Increase the number of audits conducted to cover a wider range of suppliers and geographic areas, informed by our supply chain mapping efforts.
- **Training:** Expand to include training sessions for our all our procurement, key finance and human resources members.
- **Supplier Self-Assessments:** Institute a supplier self-assessment process. Develop a self-assessment questionnaire that will roll out to our key suppliers requiring them to provide an annual detailed update on their labor practices and working conditions.

We are proud of the progress we have made on our commitment to human rights throughout our operations. We remain dedicated to upholding the highest ethical standards and working towards a supply chain free from exploitation.

Leighton Friesen

President & Chief Executive Officer

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