

NORQUEST INDUSTRIES INC.

Bill S-211 – An Act to Enact the Fighting Against Forced Labour and Child Labour in Supply Chains

Reporting Period: October 1, 2023 – September 30, 2024

Business Number: 89400 1080

Date: May 20, 2025

Forced and/or Child Labour Statement for the Year Ended September 30, 2024

This statement is made pursuant to Bill S-211, an act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by Norquest Industries Inc. to identify and address the risks of forced labour and child labour in its business operations and supply chains during the financial year commencing October 1, 2023 and ending September 30, 2024. Our organization satisfies the definition of an Entity within the Act by having a place of business in Canada, doing business in Canada, having assets in Canada, and meeting the revenue and asset size-related thresholds.

Norquest Industries Inc. is committed to respecting human rights in every area of our business. We are committed to doing everything we can to ensure our supply chain is free from forced labour and child labour.

Structure & Activities

Norquest Industries Inc. (Norquest) is a progressive and innovative Machine Shop based in Edmonton, Alberta. Norquest was incorporated October 1996, and since that time has been operating as a privately owned enterprise with no affiliated or partner companies locally in Edmonton. Norquest is currently employing 215 staff, all of whom are located within Alberta.

We serve a variety of industries throughout Canada and around the world. Our strategy has been to engineer, machine, manufacture and deliver solutions to our customers that not only meet their requirements but exceed their expectations. Our manufacturing capacity includes High Production, Complex Machining, Controlled Cycle, and Manual Machining capabilities.

Certifications



We are proud to be a Certificate of Recognition (COR) certified employer – certification awarded to employers who develop Health and Safety programs that meet robust established standards in the province of Alberta.

- All our engineering, machining, testing, and assembly processes adhere to a strict Quality Management System (QMS) that aligns with API Q1 10th Edition certification. We are actively working toward obtaining that certification by the end of 2025. Our QMS is controlled by our extensive Quality Assurance Department.

Our Mission

Our mission is to be the decisive leader in our field. Providing superior and holistic design and manufacturing services, we give our customers a competitive advantage for exceptional business results. In turn, we strive to provide our employees with the maximum opportunity to develop their skills and market their talents in an environment that recognizes and rewards excellence.

Our Core Values

1. Continual improvement.

We must be better year over year in our policies, systems, and achievements.

2. Always exceed the customer's expectations.

Anyone can deliver average.

3. Total product realization.

Never make the customer shop elsewhere to complete the manufacturing or engineering solution they require.

4. There is *always* a better way.

Strive to find it.

5. Own the problem – deliver the solution.

We are one team, not a collection of isolated cells. Own the problem like it is your own.

6. Respect diversity.

From diversity comes expanded resource.

7. Integrity in all we do.

This value defines the culture and identity of our company, and we must never compromise our integrity.

8. Excellence is its own reward.

To be the best that you can be is an end in itself. Achievement is not only the goal but also its' own compensation.

Supply Chain

Norquest sources the following types of products/services, as inputs to our manufacturing processes and business management:

- Raw materials (alloy and non-alloy steel, iron, aluminum, copper, etc.)
- Sub-contracted services (heat treating, threading, coatings, machining, etc.)
- Shop supplies (rags, gloves, etc.)
- Tooling supplies (machining inserts, measuring tools, etc.)
- Purchased components (softs) used in assembled products
- Office supplies
- Packaging supplies
- Freight / transportation services
- Fuels and gases
- Etc.

During the current reporting period, Norquest's supply chain activities were almost exclusively located within Canada and the United States, with one small purchase from a supplier in Italy and purchases of rubber products from a supplier based in Taiwan.

Policies & Due Diligence

Internal Policies

Internally, Norquest can attest to having zero instances of forced or child labour within our direct workforce. Our Human Resources department has an in depth understanding and appreciation for Human Rights and Labour standards, and we follow all local legislation and best practices within our work force.

All employees sign a Business Ethics policy upon hiring, which contains the following statements:

- Employees are responsible to: comply with all laws applicable to Norquest business activities, ensure the Norquest is committed to conducting its business activities in an ethical manner and to the highest level of ethical standards, and to maintain Norquest's reputation with its customers, suppliers, contractors, employees, and shareholders.
- Norquest will ensure that the purchasing procedures and policies of Norquest companies are open, fair, and equitable for all parties involved.
- Norquest business, whether domestic or international, must be conducted in compliance with all applicable laws and regulations, and will not tolerate illegal activity conducted for personal gain or on the company's behalf.

In addition to the Business Ethics policy, we have a confidential link on our employee payroll platform, which is always accessible. Employees can use this link any time to submit anonymous concerns directly to our HR department and Executive leadership.

External / Supplier Policies

Norquest Industries Inc. has implemented a Supplier Code of Conduct that our approved suppliers must agree to adhere to. Within the Supplier Code of Conduct, we specifically address the requirements as it pertains to Bill S-211 and Fighting Against Forced Labour and Child Labour in Supply Chains Act. See below for our statement contained within the active Supplier Code of Conduct:

LABOUR, HUMAN RIGHTS AND MODERN SLAVERY

Suppliers must offer benefits that comply with national standards and align with Norquest Industries' commitment to the UN's Universal Declaration of Human Rights. Our diverse community is integral to our excellence and dedication to human rights. Norquest Industries incorporates human rights into our operations and expects suppliers to respect all individuals, avoiding any form of abuse or discrimination. Suppliers must take immediate action to eliminate such practices if discovered.

Forced Labour – The use of forced labour, slavery, or trafficking is strictly prohibited. Employers cannot confiscate workers' passports or work permits, nor require financial deposits. Workers should receive clear, written employment terms in a language they understand and have the right to resign without penalty, following the agreed-upon notice period.

Child Labour – The use of child labour is strictly prohibited. The minimum age for employment should comply with local legal requirements. Workers under the age of 18 must not be required to perform hazardous work.

Anti-Harassment – Suppliers must provide a work environment free from harassment and unlawful discrimination. Sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers is strictly prohibited.

Working Hours – Workers shall not be required to work more than the maximum hours set by local law, including overtime hours.

Approved Supplier List

Norquest maintains an Approved Supplier List (ASL), and there are related policies and procedures in place that dictate how we approve our suppliers. Within our Supplier Manual, we state that our Suppliers are required to provide a work environment that supports safety and quality objectives by identifying and managing human and physical factors that affect the safety and quality of the products and/or services they provide.

In our Supplier Evaluation Survey (Questionnaire required to be completed by all suppliers) we ask the following questions related to the business ethics/safety environment of our suppliers:

- Is your company in compliance with Canadian Bill S-211 (Canadian Modern Slavery Act)?
- What measures do you have in place to prevent, and address forced labour and child labour within your operations and supply chain?

- Are resources including people, infrastructure, and the environment for the operation of processes suitable and monitored by senior management?
- Does your organization monitor the performance of suppliers?
- Does your organization perform audits to assess health, safety, and environmental performance?
- Has there been any health, safety, or environmental violations of local, provincial, or federal codes or regulations in the past 3 years?
- Has your organization had any improvement / prohibition notices served, prosecutions, fines, or penalties relating to health, safety and/or environment over the last three years?

Additional notes:

An important element our Quality Management System (QMS) is the Competency, Training, and Awareness of the human inputs to production, which means our suppliers are required to ensure, and be able to provide documentation upon request, that proves their staff are competent to perform the tasks assigned and adequately trained on the same.

Risk Assessment

Norquest operates in the manufacturing industry within Canada only, which is not an industry at high risk of forced or child labour. Norquest's active supply chain is located almost exclusively within Canada and the US, countries that bear a low risk of forced labour and child labour, therefore statistically speaking our risk of forced or child labour in our supply chain is very low.

That said, we are committed to ensuring that any risk of forced or child labour associated with the downstream activities of our suppliers is well managed and documented. We fully support the initiatives of Bill S-211 and will use the guidelines within to help us continue to improve our due diligence practices to ensure our suppliers are adhering to the same standards.

Some minor risks have been identified in our supply chain, per our preliminary assessment in this first reporting period, including:

- **Purchase of Copper** – copper is a raw material we use very infrequently but should monitor closely as it is listed on World Vision's list of Risky Goods for Forced/Child Labour.
 - In this reporting period, we did not have any copper purchases.
- **Purchase of Electronics** – the inputs to many electronics (coltan, tungsten, tin, copper, gold, etc.) are subject to an elevated risk of forced/child labour.
 - We have confirmed that our brand of choice for computer equipment has a corporate statement on Anti-Slavery and Human Trafficking, and within that policy they confirm they perform proper due diligence to ensure their supply chain is free from human rights violations.
- **Purchase of Rubber** – while it is a very low portion of our overall spend, Norquest does source rubber (putty, gloves, rings, etc.) which is a commodity with an elevated risk of forced/child labour.

- Our main supplier of rubber products is a reputable company following many quality and environmental standard accreditations. The supplier is based in Taiwan, a country with a low risk of forced or child labour in general, but also specific to the Rubber industry, due to their adequate labour laws.

Further risk assessments will be performed and documented along with the revised Supplier requirements we will be implementing.

Sources:

- 1) Global Slavery Index 2023:
<https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>
- 2) Industry Specific Risk Factors (Forced labour):
<https://bhr-navigator.unglobalcompact.org/issues/forced-labour/industry-specific-risk-factors/>
- 3) World Vision Supply Chain Risk Report 2023:
<https://www.worldvision.ca/WorldVisionCanada/media/NCFS/Reports/WVC-FY23-Q1-Child-Labour-Risky-Goods-Report-2023.pdf>
- 4) Verite.org – Fair Labor Reporting, Commodity Atlas - Rubber:
<https://verite.org/project/rubber-3/>

Remediation Measures

While Norquest has, to date, assessed minimal risk and zero evidence of forced or child labour in our supply chain, we will be completing the below list of remediation measures to improve our corporate alignment with Bill S-211. Our goal is to be able to confidently state we are managing the risks of forced or child labour in our supply chain to the best of our ability. We will also have appropriate remediation measures in place, should any instance of such be identified.

Remediation Measures to Implement:

- Document the remediation steps we will take if any evidence of forced or child labour is identified within their operations, including planned steps to support the protection of victims.
 - We have not yet found any evidence to suggest that vulnerable families have experienced loss of income because of the steps taken to eliminate forced or child labour risks in our supply chain, therefore this is not currently applicable to our operations.

Training

We have provided information and training to all staff relating to Bill S-211, including risky commodities specific to our processes, and the employees’ responsibility to ensure that suppliers of risky products are adequately reviewed for the risk. We will continue with minimum annual training for all staff.

- While our Procurement Department are aware of our new Supplier Code of Conduct and Supplier approval processes, comprehensive work instructions and training records still must be generated, specific to our Procurement department.

Assessing Effectiveness

Norquest Industries Inc. is committed to ensuring the ongoing effectiveness of our internal and external policies and procedures as they pertain to Bill S-211 and the risk of forced or child labour in our business and supply chain. Norquest’s policies and procedures will be reviewed annually to identify gaps with a goal to further strengthen and reduce the risk of force and child labour within our activities on an ongoing basis.

Specific steps we will take to ensure effectiveness of our policies:

- All employees have a signed Business Ethics Policy on file. We will review and update this policy, and add the requirement for employees to review this policy every 3 years of employment.
- All suppliers on our Approved Supplier List have agreed to our Supplier Code of Conduct and have completed our Supplier Evaluation summary, and they will be re-evaluated periodically.
- Maintaining training records for all staff related to Bill S-211, and the risks and mitigation steps for Forced and Child Labour in our organization and supply chain.
- Ensuring all identified risk areas of forced or child labour are documented and reviewed annually, by country and product type.
- Maintaining documentation and evaluation survey from our suppliers regarding their policies to manage the risks of forced or child labour. Suppliers will be re-evaluated on a periodic basis, with increasing frequency for those with an elevated risk factor (determined by the product type, location, etc.)
- Thoroughly document any instances of forced or child labour discovered, along with all remediation steps taken.

Attestation

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 the entity 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 attest to have the authority to bind Norquest Industries Inc.

Full Name: Rose Spence	Title: President
Date: May 20, 2025	Signature: