

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**

11046896 Canada Inc ANNUAL REPORT FULL YEAR 2023

MODERN SLAVERY STATEMENT FOR THE FINANCIAL YEAR ENDED 31st DECEMBER 2023

This statement is made pursuant of 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 11046896 Canada 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 1st January 2023 and ending 31st December 2023.

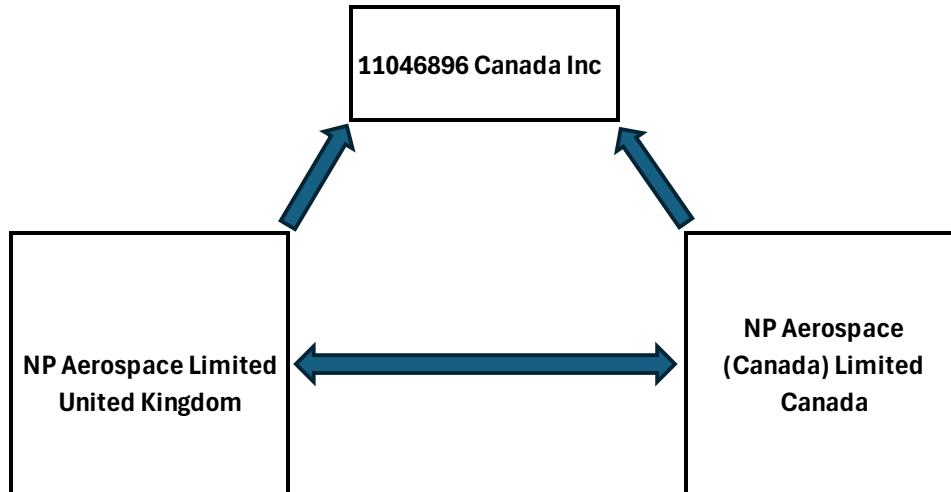
Our Business

11046896 Canada Inc is a financial holding company of NP Aerospace Limited and NP Aerospace (Canada) Limited who both specialise and are world leaders in the design, development and manufacture of lightweight, high performance composite materials and protective solutions for personal and platform protection and the integration of military vehicle systems.

NP Aerospace Limited and NP Aerospace (Canada) Limited deliver complete, turnkey composites engineering services for commercial applications including but not limited to Bomb Disposal suits, Helmets, Ballistic Shields, Body Armour plates and Vehicle armour.

Group Structure

11046896 Canada Inc is the sole owner of the trading entities NP Aerospace Limited, located at 473 Foleshill Road, Coventry, United Kingdom CV6 5AQ, company registration number 03472480 and NP Aerospace (Canada) Limited, located 24 Swiftsure Court, Unit 2, London, Ontario, Canada N5V 4L1, corporation number 998884-0.



Outline of Supply Chain

11046896 Canada Inc is the holding company for the trading entities NP Aerospace Limited and NP Aerospace (Canada) Limited and as such, does not engage directly with the supply chain.

NP Aerospace (Canada) Limited purchase via Canadian or US sources, with the majority of materials being supplied directly as an inter – company purchase from NP Aerospace Limited, based in the United Kingdom

The majority of Supply chain interaction and activity is processed through NP Aerospace Limited.

Approximately 400 suppliers were engaged during 2023, 89% of which were UK based, 5% were US/Canadian based, 5% Western European, with <1% covering the Rest of the World.

Any materials purchased by NP Aerospace Limited from Non-UK sources are imported into the United Kingdom manufacturing facility for processing into completed product prior to final inspection and onward shipment.

Risks in the supply chain

NP Aerospace Limited has many longstanding relationships with a variety supply chain partners. In general, NP Aerospace assesses itself to have a minimal risk of Modern Slavery in its Supply Chain.

The majority of sourcing is undertaken from UK businesses, who are obligated by legislation to comply with the Modern Slavery Act 2015 in regards to all business activity, although as

previously stated, off-shore supply routes are used as required in the course of every day business activities.

Every effort is made to purchase materials directly from Original Equipment Manufacturers (OEMs) or via OEM approved distribution routes where possible. Due to the high technical content and strict quality and counterfeit avoidance controls adopted in the manufacture of such products, these businesses have an inherent obligation to provide long term investments in hi-tec manufacturing facilities, high levels of training and clean, sometimes sterile working conditions.

NP Aerospace have embedded policies and procedures that, whilst respecting different cultures and values in countries where materials may be sourced, no compromise is made regarding the basic rights of workers regardless of age. These policies help our employees reinforce the Suppliers obligations if they wish to continue to work with NP Aerospace

Actions Taken during 2023

- As part of supplier on-boarding, all suppliers are requested to declare full compliance with all relevant/local employment laws and policies.
- Due diligence undertaken using Dow Jones Factiva web platform searching company/individuals prior to and during engagement.
- Web searches focuses on individual Suppliers policies and procedures in respect to Forced labour and Child labour
- Desk top Audits / Supplier visits to verify supplier third party accreditations and validate any corporate statements
- One supplier was highlighted as a potential risk due to its geographical location (Vietnam) and the type of product manufactured (sewn Garment). However, upon closer investigation, the following was evidenced:-
 - Canadian Owned and controlled entity
 - Audits and Visits undertaken by Canadian parent company
 - Clear, publicly declared commitment to Corporate Social Responsibility

Current Company Policies

NP Aerospace is committed to the principles of fighting against Forced and Child Labour and has implemented and integrated business policies and reports into its day to day working practices including, examples of which are listed below: -

- Annual Modern Slavery & Human Trafficking Statement - pursuant to the requirements of the Modern Slavery Act 2015 - this is published on the company website www.npaerospace.com

- Corporate Social Responsibility (CSR) Statement, recognising its responsibilities towards clients, employees, Shareholders, Suppliers and other Stakeholders

- NP Aerospace Employee Code of Conduct Policy, demanding all employees work in a Safe and ethical manner in all aspects of their role

- Whistleblowing Policy – encouraging all stakeholders to raise any genuine concerns regarding NP Aerospace business practices or the practices of any member of its supply chain, without any fear of reprisal. Ensuring full and thorough investigations are conducted and concluded in a satisfactory manner.

Training and embedding the principles

Onboarding - Individual employee awareness training for all new employees in respect to company policy and Procedures

Focussed departmental training in respect to Supplier Due Diligence and on-going compliance

Awareness training to all staff and inform them of the appropriate steps to take if they suspect any cases of Forced Labour or Child labour within the supply chain

Continued efforts to take actions and instil a zero-tolerance policy towards Forced Labour or Child Labour within the supply chain

Effectiveness Assessment

In respect to audits and due diligence activities, NP Aerospace have no record of Forced Labour/Child Labour breaches during financial year 2023 being identified within its supply chain.

In respect to its Whistleblowing policy, NP Aerospace have no record of any reports from external or internal of any Forced Labour/Child Labour breaches during financial year 2023.

However, to ensure that the controls are effective, NP Aerospace intend to extend efforts during 2024, which will include the following metrics:-

- Number of Employees/percentage of workforce completing awareness training

-Recording the quantity of Supplier declarations received committing to responsible business practices in regards to fighting against forced labour and child labour in Supply Chains

Approval

This report, 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 is approved by the Governing body of 11046896 Canada Inc

NAME James Kempston POSITION CEO

SIGNED  DATE 31 May 2024